

WASHINGTON POST
30 September 1983

STAT

Consultant Said He Got Carter Papers, GOP Aide Tells FBI

By Martin Schram and Bob Woodward
Washington Post Staff Writers

A Republican congressional aide has told the FBI that Paul Corbin, a political consultant with old-line Kennedy connections, claimed last spring that he had obtained President Carter's briefing papers for the 1980 presidential debate and had given them to Ronald Reagan's campaign manager, William J. Casey.

Tim Wyngaard, executive director of the House Republican Policy Committee, has told FBI investigators that Corbin made that claim to him in a telephone conversation last April—about six weeks before the debate papers controversy became public.

Casey emphatically denied in an interview this week that he had received any Carter debate briefing material from Corbin or anyone else. "I never knew this material was in the campaign," said Casey, who is the director of the CIA. "... It's totally false," Casey added.

Casey said confusion about Corbin may have arisen because Corbin did provide Casey with a six-page memo from a New York lawyer outlining possible statements Reagan might make in the October, 1980, debate with Carter in Cleveland.

Casey said he is a friend of Corbin's and authorized the Reagan-Bush Committee to pay Corbin \$2,860 for expenses for what Casey said was routine campaign work in Florida in the fall of 1980.

Officials involved in the FBI investigation of how Carter campaign papers came into the possession of the Reagan campaign view Wyngaard's version of the Corbin conversation as potentially significant because it is the first evidence that someone voiced knowledge about the Carter debate papers before the episode was first mentioned in the media. One investigative source cautioned, however, that its accuracy may turn out to be "unprovable."

Corbin declined to respond to reporters' inquiries. But associates of his said he denies ever obtaining the Carter briefing papers or making such a claim to Wyngaard.

Corbin's alleged claim to the congressional aide has been known to the White House since last June, and has figured in the dispute between Casey and White House chief of staff James A. Baker III over which top Reagan campaign official first received the Carter briefing papers. Baker says he got the Carter papers from Casey; Casey says he never saw them.

On June 24, Corbin's alleged claim was relayed to Baker by Wyngaard's boss, Republican Policy Committee Chairman Dick Cheney (R-Wyo.). Baker then discussed it with Casey.

After his discussion with Baker, Casey told a middle-level White House official who is also a confidant that he was considering changing his original denial that he had never received the Carter debate documents, according to one reliable account.

This Casey confidant said that Casey told him he recalled receiving something from Corbin during the campaign and could not recall if it was the voluminous Carter debate papers.

Casey has given this account of how he went about determining that his denial should stand.

As the White House began its own internal inquiry into the matter in June, Casey told White House counsel Fred F. Fielding that Corbin could have provided him with some Carter debate papers.

Casey called Charles Bartlett, a former Washington columnist who had introduced Casey and Corbin, to see if Bartlett had any idea of what Corbin had provided the Reagan campaign. Bartlett reportedly did not. At that point Casey tried to find Corbin, and finally reached him by telephone on June 29 while Corbin was vacationing in Aruba.

In that call—according to accounts made public afterward by Casey and Corbin—Corbin said the only information or material he had provided to Casey was a few pages of material from New York attorney Adam Walinsky, former top adviser to the late Sen. Robert F. Kennedy (D-N.Y.).

After the talk with Corbin, and after Casey found the Walinsky material, Casey said he was convinced that he had fully and accurately stated his recollection.

Though the Walinsky material previously has been referred to in newspaper accounts as a speech, it is a memo recommending points Reagan might use in debating Carter, including an attack on what Walinsky called "President's Carter's many disasters." Unlike the 1,000-page Carter debate papers, it is a slim, six-page memo that is addressed to Corbin and begins "Dear Paul."

Investigative sources said Corbin also had sent the Walinsky memo to Baker, who was running the debate preparation group in the Reagan campaign. Baker also knew Corbin. Bartlett has said he had introduced them.

Baker declined to comment this week about the matter.

CONTINUED

ARTICLE APPEARED
ON PAGE A-17

NEW YORK TIMES
29 September 1983

Allegations Against Greek Refuted by C.I.A.

Special to The New York Times

WASHINGTON, Sept. 28 — A Greek journalist, accused by American officials in 1977 of misrepresenting his war record and of working for foreign intelligence services, has made public a new Central Intelligence Agency review of his case that refutes the allegations against him.

The charges against the journalist, Elias P. Demetracopoulos, appeared in an article in The New York Times in December 1977.

Mr. Demetracopoulos, who works for the Greek daily papers Makedonia and Thessaloniki, has made public a C.I.A. review of his case, dated Aug. 10, which asserts that despite what C.I.A. officials told The Times in 1977, there is nothing in the agency's files to support the allegations.

"This has been a long battle back and forth, but at this juncture I'm satisfied," said Mr. Demetracopoulos, who is also an economic and political consultant for the New York stockbroker concern, Brimberg & Company.

The dispute arose after The Times published an article on Dec. 6, 1977, in which statements and records at-

tributed to C.I.A. officials cast doubts on the war record and professional status of Mr. Demetracopoulos, who came to the United States after the rightist military coup in Greece in 1967.

What the Article Said

The article said C.I.A. records showed that Mr. Demetracopoulos offered his services to the C.I.A. and United States Army intelligence in 1951 but was refused, and that in the 1950's he was associated with both the Yugoslav and Israeli intelligence agencies.

The article also quoted an unidentified C.I.A. official as saying the Greek intelligence service had no evidence that Mr. Demetracopoulos had been an underground resistance worker against the Nazis in Greece.

The C.I.A. memorandum, issued Aug. 10 by the agency's Office of General Counsel, was prepared in response to inquiries on Mr. Demetracopoulos's behalf by, among others, Representative Wyche Fowler Jr., chairman of the House intelligence committee's Subcommittee on Oversight and Evaluation, responding to efforts by Mr. Demetracopoulos to have the C.I.A. clear his reputation.

As late as 1981 the Director of Central Intelligence, William J. Casey, said the agency would maintain its longstanding policy of neither denying nor confirming allegations appearing in the

news.

The counsel's report cited a 1975 C.I.A. internal memorandum that Mr. Demetracopoulos obtained in early 1977 through the Freedom of Information Act and said its own review had uncovered no unauthorized disclosures to The New York Times by agency personnel and no evidence to refute this part of the memorandum, which referred to Mr. Demetracopoulos:

"There are no hard facts in the record to show that he has worked for any foreign government against the interests of Greece (or for that matter the United States), that he is in the pay of any national government and that he has ever been a member of a foreign intelligence service," the memorandum said.

28 September 1983

WASHINGTON

WASHINGTON WINDOW; WATT FRUSTRATES THE SENATE

BY STEVE GERSTEL

Interior Secretary James Watt's most recent off-the-cuff disaster -- "a black, a woman, two Jews and a cripple" -- deeply disgusted many, many senators.

Mixed in with the revulsion was a frustration born from their inability to do anything.

True, many expressed themselves in the strongest possible terms, rushing from the Senate chamber to the television galleries in their haste to be heard.

The peak of their power in the Watts affair came with the demands that the loose-lipped conservative resign or, barring that, President Reagan fire him.

But the debacle renewed talk, probably wistful, that, at the least, members of the Cabinet return for a second confirmation hearing if Reagan should win a second term in November 1984.

The idea -- not new with him -- was raised again by Senate Democratic leader Robert Byrd the day after Watt made what even he concedes was a "mistake."

Byrd told reporters "Cabinet members ought to come back" and opined that such a requirement might make them watch their words with more care.

"They would be less inclined to make abhorrent statements like that," Byrd said.

Even assistant Senate Republican leader Ted Stevens, a friend of Watt's who tried to excuse the blunder, said the idea of a new confirmation at the start of a second term was "intriguing."

Asked whether Watts could be confirmed again by the Senate, Byrd said "as far as this senator is concerned, he wouldn't be -- and I'm not alone."

But the idea of a confirmation hearing at the start of a second term probably would not achieve what Byrd has in mind.

A president, coming off re-election, would probably be granted virtually the same consideration as he is at the start of his first administration.

In other words, even if President Reagan -- under the Byrd proposal -- sent the current Cabinet to Capitol Hill for approval, the Senate most likely would acquiesce.

As Byrd said, Watt would run into terrible problems. So probably would CIA Director William Casey.

The chances are that Senate Republicans would probably warn Reagan not to send either a Watt or a Casey to the Senate for reconfirmation -- and he probably would not.

CONTINUED

JACK ANDERSON**Friends, Foes
Draw a Sketch
Of CIA Chief**

President Reagan's most controversial appointee is also the most secretive. He is William J. Casey, who abandoned his roost amid the glass canyons of finance to head the CIA.

With an obsessive if sometimes fumbling dedication, he promotes the kind of secret government the CIA favors. He has put up a dogged fight in the back rooms for the expansion of our counterintelligence and counterinsurgency operations, the better to battle the communists at their own game.

Usually, information about Casey, 70, surfaces only when he's involved in some controversy on which he can't keep the lid. So I assigned my associate Dale Van Atta to dig into Casey's background and character. Over several months, he interviewed Casey's friends and enemies in and out of the CIA.

The composite picture they etched is of a loner who operates out of his hat; who lives in a continuous state of crisis; whose mind is encased in a Republican hard shell; who talks of American-Soviet relations, for example, in terms of "showdown," but

who has surprising tolerance for the views of others. Here are closed-door glimpses of the CIA director.

- Casey doesn't run the CIA. He's a lone wolf who prefers to leave the detail work and public relations chores to his deputy director.

- His style in clothes can best be described as "contemporary disheveled." He sometimes falls asleep at briefings. His typical speech pattern—mumbling in a rich New York accent—has led to an in-house joke that he's the only CIA boss who doesn't need a voice scrambler on his telephone.

- Since he dislikes minding the store at CIA headquarters in Langley, he is frequently on the road. In a speech to CIA employees Casey boasted that in his first six months on the job he had "traveled to Europe, Asia, Central America and the Middle East and met with over 20 station chiefs in those areas."

- Many sources agreed that Casey has improved intelligence analysis by allowing competing views to appear prominently. Under his predecessors, dissenting viewpoints were relegated to brief footnotes.

- A bedrock political conservative, Casey is not inflexible. He's intellectually honest enough to change his hard-line Republican outlook if there's solid evidence to refute it.

- He has a habit of sending his subordinates clippings from odd publications that his right-wing

friends thrust on him along with notes asking why the CIA didn't know about this or that.

- Casey loves the covert-action side of his job. "The cowboys down in the ranks will send up a hare-brained proposal, and the next thing you know they're in his office plotting with him," complained one source. Other sources expressed concern that this sidesteps the checks and balances designed to prevent preposterous clandestine operations.

- Casey is an unabashed political animal. It was only because he realized the political damage it might do Reagan that he agreed to put his financial holdings in a blind trust.

- He dumped his spymaster friend, Max Hugel, not because of the damaging admissions in taped conversations of Hugel's financial dealings, but because of Hugel's salty language. Casey was afraid the tapes would be heard by the president and Nancy Reagan, who would have been offended.

- Casey can be petty about people with whom he doesn't get along. One source insists it was at Casey's personal order that the admiral's flag was flown upside down at a farewell ceremony for Adm. Bobby Inman—a calculated snub.

But probably no one knows the real Casey behind the blinking, owlish face. There is a wariness and tenseness in him, a sense of beleaguerment.

ARTICLE APPEARED
ON PAGE A-32

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400070001-9

NEW YORK TIMES
27 September 1983

Letters

Synthetic Argument Against Synthetic Fuels

To the Editor:

Reasonable men hold varying opinions concerning the need for the U.S. Synthetic Fuels Corporation, and the public dialogue on this issue carries persuasive arguments on both sides. Unfortunately, Doug Bandow's article "Synfuels, NoWinFuels" [Op-Ed Sept. 1] makes no constructive contribution to the dialogue, since his arguments are rooted in errors and half truths.

The corporation has never "built a sauna in the executive suite," as Mr. Bandow claims. While there is a sauna in the building in which the corporation is officed, there is also a Chinese restaurant — neither, however, is the property of the corporation.

Further, the price guarantees negotiated by the corporation will not "guarantee sales at a profit, no matter what the market price." On the contrary, while the guaranteed price may be higher than the market price at the time of sale, the difference between the two is not "profit." Rather, the amount of a price guarantee will be negotiated at a level that will cover, for a specified period of time, only the costs of production and debt servicing, not supply a profit to the sponsor. In the event that oil prices rise faster than anticipated, the corporation will benefit from any large revenue gains through a profit-sharing arrangement that will be included in every price guarantee agreement.

Mr. Bandow asserts that "subsidized synthetic fuels undermine the competitiveness of alternate energies such as co-generation, wind, solar power and hydropower, while dis-

couraging conservation efforts. Private firms are loath to underwrite alternative energy projects while the corporation is subsidizing synfuels at the rate of \$37 a barrel."

Obviously, these statements fail to meet the realities of recent times. Indeed, since the corporation's creation in 1980, investment in alternative energy sources and conservation efforts have increased markedly.

Finally, the corporation staff has never characterized the Peat Methanol Associates project in North Carolina as "economically unpromising." Had such a finding ever been made, you can be confident that the project would no longer be under consideration for financial assistance. In addition, the very limited interest of William Casey in the P.M.A. project had absolutely no bearing at any time on our evaluation of that project.

I fully support an intelligent dialogue concerning the need for Federal support of a domestic synthetic fuels capability. Unfortunately, articles like "Synfuels, NoWinFuels" do not further the public debate and in fact deter efforts to reach an honest opinion.

WILLIAM F. RHATICAN
Vice President, External Relations
United States Synthetic Fuels Corp.
Washington, Sept. 7, 1983

ARTICLE APPEARED
ON PAGE A-19WASHINGTON POST
27 September 1983**INSIDE: HUD**

SMOOTH RIDE . . . As part of a "Golden Fleece" award from Sen. William Proxmire (D-Wis.) last year, HUD Secretary Samuel R. Pierce Jr. won the dubious distinction of having the most expensive limousine of any Cabinet member.

Pierce was among 190 federal officials receiving chauffeur service to their homes at a cost of \$3.4 million a year. Proxmire said the busiest car belonged to CIA Director William J. Casey, whose driver received \$26,000 in overtime pay last year on top of a \$20,000 salary. Pierce's Oldsmobile 98 diesel weighed in with the costliest lease at \$8,088.

Proxmire, who authored a law barring many federal officials from using a government car for commuting, said that bureaucrats regard the cars as "a real status symbol. When we try to take the limousine away, they just buck like steers. I think they'd rather lose a billion-dollar program than a limousine."

A HUD spokesman said Pierce had wanted a cheaper General Motors car and settled for the more expensive lease after delivery problems with several area dealers. But when Ford came out with a discount program this year, he said, Pierce was able to get "a much swankier car," a Lincoln Mark 6, for just \$3,075.

—Howard Kurtz

ARTICLE APPEARED
ON PAGE 38

NEWSWEEK
26 September 1983

Reagan's Secrecy Campaign

As he settled into Washington, nothing irritated Ronald Reagan more than the press leaks disclosing his secret policies and deliberations. Since then, Reagan has issued new rules pressuring the custodians of federal secrets to take polygraph exams, forcing them to sign secrecy contracts and compelling them to grant the government veto power over their sensitive writings—and the public debate—for a lifetime. Reagan's rules of silence pose a classic confrontation between free speech and national security, and last week Congress added its voice. In the extreme, warned Republican Sen. Charles Mathias of Maryland, the rules consign "some of our most talented and dedicated citizens to a virtual vow of silence on crucial national issues."

The broad scope of Reagan's secrecy campaign became clear only recently, when the Justice Department actually produced the detailed new contracts that secret holders are expected to sign. The more controversial document restricts employees cleared for "Sensitive Compartmented Information"—distributed on a strictly need-to-know basis. This secrecy elite may not go public with articles, books (even fiction) or letters to the editor on any classified matters until after a government review of the material. Even unclassified information on intelligence activities is subject to approval. The rule restricts at least 100,000 Defense Department officials alone—both on the job and in retirement.

Administration officials see more than enough reason to crack down on leakers. Loose-lipped insiders have turned Reagan's Central America offensive into a parody of covert warfare. Lesser-known compromises are just as rankling: when a ground-level photo of a Soviet bomber appeared in the journal *Aviation Week*, Washington worried that it helped Moscow confirm a U.S. intelligence penetration. In all, the steady drip-drip-drip has prompted CIA Director William Casey, White House counselor Edwin Meese III and national-security adviser William Clark, a former judge, to endorse a hang-'em-high policy.

But even granted that leaks can be damaging, the question is whether Reagan's reme-

diaries are extreme. For one thing, his sanctions cover intelligence breaches that are relatively minor. Earlier this year, for example, the FBI investigated a Canadian reporter's dispatch on the widely distributed Pentagon report, "Air Force 2000," whose secret passages proved uniformly innocuous. An example: "Soviet military forces will continue to modernize and place strains on their domestic economy." FBI agents approached Canadian newspaperman Donald Sellar and asked him to identify his sources, but ultimately accepted his refusal to cooperate. Justice Department officials insist that they have no plans to prosecute the Canadian. (Several U.S. publications also obtained copies of "Air Force 2000," and *NEWSWEEK* easily obtained its own last week.)

Rights for 'Consumers': The threat for leakers is much greater than for the leaked-to. At last week's Senate hearing, former Carter White House counsel Lloyd Cutler urged

that Reagan stick largely to present policy, which already requires that CIA agents and other "producers" of secrets submit to prepublication review; intelligence "consumers" such as the secretary of state and other policymakers should be free to publish as they see fit, Cutler said. The administration insists that it will act responsibly. It is investigating only 15 to 20 leak cases—about the same number as two years ago. If Reagan's sanctions are designed more to scare off potential leakers than to clog the courts with them, the president may have made his point—but at the risk of a controversy that could reach constitutional proportions.

STEVEN STRASSER with ELAINE SHANNON,
THOMAS M. DeFRANK and ELEANOR CLIFT
in Washington

AGENCY SUBSCRIPTION

We were intrigued to read in *The New York Times* that our old friend John Rees, who came to a sort of fame as a freelance informer on and infiltrator of New Left groups in the early 1970s [see Hillel Levin, "The 'Information Digest' Ploy," *The Nation*, October 7, 1978; and Frank Donner, "The Campaign to Smear the Nuclear Freeze Movement," November 6, 1982], has teamed up with Arnaud de Borchgrave and Robert Moss, co-authors of such right-wing fiction as *The Spike*. The three are going to publish a \$1,000-a-year monthly newsletter for "key decision-makers" who want to know about "matters of jugular concern," *The Times* reports. Drawing on "former intelligence officers, including ranking defectors from the K.G.B. and its proxy services and former government officials recently in sensitive positions," they intend to scoop the daily news media, and thus they call their newsletter "Early Warning."

"After studying our track record," de Borchgrave is reported to have written potential subscribers, "Bill Casey of the C.I.A. took out several subscriptions." A spokesman at the agency would neither confirm nor deny the report. However, if Casey hasn't subscribed, he ought to. The de Borchgrave-Moss brand of fiction should provide inspiration to the agency in concocting cover stories for bungled covert operations. And Rees could infiltrate the Republican National Committee and recover the ten-foot pole that Casey said he wouldn't touch the Debategate papers with.

ARTICLE APPEARED
ON PAGE 231

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400070001-9

24 September 1983

■ A C.I.A.-A.C.L.U. DEAL?

The Operational Files Exemption

ANGUS MACKENZIE

The American Civil Liberties Union, the Central Intelligence Agency and Senate Intelligence Committee chairman Barry Goldwater have become strange bedfellows in the latest effort to exempt the agency from the Freedom of Information Act—Senate bill 1324. Although the A.C.L.U., the C.I.A. and the senators will be nit-picking over the language of the bill during the markup sessions, which begin in the coming weeks, they have already agreed on its key provision, which exempts the agency's "operational files" from F.O.I.A. search and disclosure requirements.

S. 1324 is a revision of a bill proposed in 1979 by then-C.I.A. Deputy Director Frank C. Carlucci, which the A.C.L.U. opposed at the time. The new version was drawn up by the C.I.A.'s legal representatives in cooperation with Senator Goldwater. It was introduced in Congress after the A.C.L.U. informally agreed to the operational-files exemption.

The A.C.L.U. and the C.I.A. claim that the exemption would not expand the C.I.A.'s authority to withhold documents. Under the F.O.I.A., the agency may deny requests for information that relates to national security matters or that reveals confidential sources and investigative techniques. They contend that since operational files invariably contain such information, they are never released. Freeing the agency of the requirement that it conduct time-consuming searches of files that are never released, proponents say, would enable it to process other F.O.I.A. requests more expeditiously.

Critics of the proposed legislation counter that the term "operational files" is so broadly defined that it will amount to a total exemption from the F.O.I.A., permitting the agency to cover up illegal domestic spying and other wrongdoing. Many information act experts say the C.I.A. has taken the A.C.L.U. for a ride.

The deal between the C.I.A. and the A.C.L.U. was initially discussed in informal conversations between the agency's Deputy Counsel, Ernest Mayerfeld, and A.C.L.U. attorney Mark H. Lynch, who have been friendly enemies in F.O.I.A. court battles for seven years. As Lynch put it, "We're two guys who've spent a lot of time in court

together shootir
get off the total
something out."

The basic ele
for the C.I.A.'s
emption thing"
requests, the A.
operational files

Would the Sen
C.I.A. wrongdo
On June 21, C.
told the Senate I

will not ever again be a repeat of the improprieties of the past," he said. "And let me assure you that Bill Casey and I consider it our paramount responsibility that the rules and regulations not be violated."

Leaving aside the C.I.A.'s assurances that it will speed up the release of information, what does the bill itself say? The heart of the proposed legislation is the definition of "operational files." The agency and the A.C.L.U. agree that if the bill is passed, such files will no longer be subject to the search process—that they will be, in short, exempt from the F.O.I.A. But they disagree substantially over just what operational files are.

Mayerfeld told me that operational files deal with foreign intelligence, counterintelligence and counterterrorism operations; investigations to determine the suitability of potential foreign intelligence sources; "security liaison arrangements" with other intelligence agencies; and information exchanges with foreign governments. Mayerfeld's definition covers most of the agency's business, except—perhaps—intelligence reports derived from operational files. I say "perhaps" because some critics of the bill believe that even those reports could be exempt under the proposed legislation.

Let us examine some of Mayerfeld's categories. Take "counterintelligence operations," for example. Those operations include C.I.A. domestic spying, which President Reagan authorized in his executive order of December 4, 1981. If the Senate bill is passed, files on domestic spying could presumably be exempt from F.O.I.A. inquiries.

Files relating to past counterintelligence operations like Operation Chaos, which spied on the antiwar and civil rights movements and the underground press between 1967 and 1974, might also be exempt. Some of the activities carried out under Operation Chaos were revealed in 1976 by Senator Frank Church's Select Committee on Intelligence. And stories about the operation based on information obtained under the F.O.I.A. have appeared in the press. But the complete account has not emerged, and a C.I.A. source told my attorney that the agency has two roomfuls of unreleased Chaos files.

Opinion is divided on whether that material would be exempt under the Senate bill. Lynch told me the documents could be made public since Operation Chaos was the subject of a Congressional investigation and the House version of

Angus Mackenzie is an associate of the Center for Investigative Reporting, where he directs the Freedom of Information Project, which is co-sponsored by the Media Alliance.

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400070001-9

CONTINUED

Senate Panel Approves \$19 Million in Covert Aid to Nicaragua Rebels

By DOYLE McMANUS, *Times Staff Writer*

WASHINGTON—The Senate Intelligence Committee on Thursday approved President Reagan's covert aid to anti-government rebels in Nicaragua, and sources said the Administration may ask Congress for sharply higher funding of the program later this year.

By a vote of 13 to 2, the committee, meeting behind closed doors, approved an Administration request for \$19 million to aid guerrilla groups fighting the left-wing Sandinista regime, a spokesman said.

The request of \$19 million for fiscal 1984, which begins Oct. 1, was for the same amount as authorized last year. But committee sources said that CIA Director William J. Casey gave senators the impression that the new funds will support the program only part of the year and that a supplemental request will be made later.

Boost for Administration Policy

With its vote, the committee gave a boost to the Administration's Central America policy by endorsing Casey's explanation that the covert aid is intended to deter the Nicaraguan regime from helping leftists in other Central American countries. Previously, the Administration had said the aid was aimed only at disrupting the flow of arms from Nicaragua to leftist guerrillas fighting the U.S.-backed government in nearby El Salvador.

The vote also removes a roadblock from an intelligence authorization bill that the committee had held up for four months while members demanded a new explanation of the controversial Nicaraguan program. Senate aides said the bill is expected to pass the Republican-controlled Senate without a major floor battle.

The program faces a stiffer test in the House, which voted in July to cut off all covert aid to the Nicaraguan rebels. But some opponents of the aid say they are worried that their drive has lost votes in the aftermath of the Soviet downing of a South Korean airliner Sept. 1.

Impact on House Is Seen

The Senate committee's strong endorsement of the program could have "a considerable impact on the House," said Rep. Wyche Fowler Jr. (D-Ga.), a leading opponent of the covert aid.

Fowler, a member of the House Intelligence Committee, said the House may delay debating the Nicaraguan program until mid-October, when an intelligence appropriation bill is expected to reach the floor.

Administration officials have acknowledged privately for months that their aid to the Nicaraguan rebels was made with objectives broader than merely stopping Sandinista weapons shipments to the Salvadoran insurgents. But, faced with congressional demands that the aid not be used in any attempt to overthrow the Managua regime, the Administration offered the more limited justification of interdicting the arms trade.

That irritated some senators, who demanded the new CIA "finding" presented by Casey this week. "It's a more explicit rationale that seems to show people more clearly the limits of what we're trying to do," a White House official said.

ARTICLE APPEARED
ON PAGE 4-1

WASHINGTON POST
23 September 1983

U.S. Covert Actions Said Not Unusual

By Joanne Omang
Washington Post Staff Writer

Covert U.S. military or paramilitary operations that seriously worry some members of Congress are taking place "in a couple of other parts of the world" besides Central America, House Intelligence subcommittee Chairman Wyche Fowler Jr. (D-Ga.) said yesterday.

Fowler, who did not specify the location or mission of the covert operations, said American intelligence agencies are going ahead with them despite objections from some congressmen that they could be counterproductive for the United States.

As Fowler was disclosing this at a House Intelligence Committee hearing, the Senate Intelligence Committee voted 13 to 2 to provide \$19 million in fiscal 1984 to continue covert U.S. support for the guerrilla forces fighting the leftist Sandinista government in Nicaragua, according to a committee source.

The Senate committee vote, in which most Democrats voted with the Republican majority, endorses the Reagan administration's new rationale for the covert operation in Central America and sets the stage for legislative conflict with the House, which has voted to stop it.

In an open hearing of the House Intelligence Committee, Fowler said that such covert military and paramilitary actions tend to start "with 10 men and \$1,000" and wind up like the operation against the Sandinistas in Nicaragua, with thousands of fighters supported by millions of dollars, U.S. prestige on the line and a major debate under way.

"We're going to have this same problem here in a couple of other parts of the world in the next few weeks," Fowler said. "They [in the intelligence agencies] want to do some things that, in the judgment of some of us, will have the opposite effect to what we want to accomplish. But they're going to go ahead."

"Congress now can do nothing to stop such programs in advance but can only try to cut funding later when 'it's messy,'" Fowler said.

"We are now undertaking policy initiatives that are not by any means emergencies but they [in the intelligence agencies] say they're going to do them," he continued. "Some of us [on the committee] have been very disappointed in the responses we've had to questions about the potential impact of failure, disclosure or escalation of fighting, 'but they say they're going to go ahead anyway.'"

Fowler spoke at the end of three days of hearings on legislation he has proposed to require that paramilitary or military covert operations be approved beforehand by the House and Senate intelligence committees.

House Intelligence Committee Chairman Edward P. Boland (D-Mass.) said later in an interview that "more questions have to be answered" about the program or programs that Fowler was referring to.

"It all has to be fleshed out a little bit ...," he said. "I'm not sure it's that serious at the present moment."

Nearly all the witnesses called by the committee testified in opposition to Fowler's proposal for legislative curbs, arguing that the president has complete authority to launch covert action under his constitutional mandate to conduct foreign policy. The role of Congress, most witnesses said, must be to advise and raise questions and to cut off funding for programs it opposes.

The House voted 228 to 195 in July to cut off funds for the covert operation in Nicaragua, in which guerrilla forces fighting the Sandinista government are receiving U.S. financing, weapons and advice.

In its action yesterday, however, the Senate Intelligence Committee voted to continue the funding for an estimated six months into 1984, with the understanding that the Reagan administration will have to justify the covert aid again at that time, committee sources said.

The administration asked only for six months' funding, "because it was clear that the committee was reluctant to give a blank check for the year," one source explained.

The vote included most committee Democrats, however, because "they are willing to try" a new approach that was offered in private sessions this week by Secretary of State George P. Shultz and CIA Director William J. Casey, the source said.

The new approach abandons the previous administration explanation that the covert aid was being used only to halt the flow of arms from the Nicaraguan government to leftist rebels in El Salvador.

Now, Shultz and Casey reportedly told the Intelligence Committee, the administration "finding" is that the covert operation is needed to harass the Nicaraguans into abandoning their promotion of "revolution without frontiers" throughout the hemisphere.

The Senate committee was generally receptive to this new goal, regarding it as "more clearly spelled out by the administration than ever before," the source continued. The House Intelligence Committee, however, received the same briefing and "was not at all convinced," a source there said.

The Senate is likely to take up the bill funding all 1984 intelligence activity within the next two weeks. Its expected passage would pave the way for a conference committee fight on Nicaragua, since the House Intelligence Committee version of the measure would eliminate all Nicaragua program funds. The committee bill is not expected to reach the House floor until next month.

ARTICLE APPEARED
ON PAGE A-39

WASHINGTON POST
22 September 1983

Shultz States New Case for Covert Aid to Rebels

By Joanne Omang
Washington Post Staff Writer

The Reagan administration yesterday went to the House with its new case for more covert aid to Nicaraguan rebels, arguing that rebels should continue to harass Managua as long as Managua is harassing U.S. friends in the region.

Secretary of State George P. Shultz and CIA Director William J. Casey briefed the House Intelligence Committee privately on the administration's new "finding" of need for the aid, which the House voted to eliminate in July. But the Senate has not concurred, and the issue is up for consideration again in a bill to fund intelligence operations in fiscal 1984, which begins Oct. 1.

A participant in the meeting said the members of Congress "listened politely, in some cases with skepticism," asked some questions but engaged in no heated debate.

Another participant said it was highly unlikely that the new approach would convince the Intelligence Committee to change its position against the aid. No House action is expected on the measure until next month.

The administration's new rationale for covert aid was demanded by the Senate Intelligence Committee as a condition for continuing funding

after Oct. 1. Senators on the committee who heard Casey and Shultz's presentation Tuesday spent an hour discussing it yesterday and are expected to give it formal approval today.

The new position expands on the administration's previous argument that covert aid was only being used to halt the arms flow from Nicaragua to leftist guerrillas in El Salvador. Now the aid is to be aimed at causing a change in overall Nicaraguan policy in the region, which the administration says is defined by the Nicaraguan slogan, "Revolution without frontiers."

At an earlier hearing of the House committee yesterday, former CIA director Stansfield Turner said there is "no question that you can and should back out of [covert activity in] Nicaragua, and you should force the administration to back out."

But he opposed legislation that would require future paramilitary and military covert operations to be approved in advance by the two Intelligence committees, saying it "clearly transcends the intent of the Constitution" and would be "one more straw on the camel's back" of congressional oversight.

"There are covert operations that would be very helpful to this country that would have to be ruled out" under the proposals, including emergency actions, Turner said. The bill's sponsor, Rep. Wyche Fowler Jr. (D-Ga.), said changes are planned that would exempt emergency projects. At the moment, he said, "Congress and the public think we [on the committee] are accountable but we are not."

Turner and former senator Birch Bayh (D-Ind.), who favored the legislation, both recommended that the committee attach restrictions on the contingency reserve fund, the CIA's secret budget, when it authorizes appropriations.

Morton H. Halperin, director of the Center for National Security Studies, said new controls are necessary because covert actions, which were once used only as a last resort, "are now just one of the options on the shelf."

In a related development, a spokesman for the Kissinger commission on Central America, which is expected to recommend a long-term policy for the region in February, said the members will begin their first visit to the area Oct. 9 in Panama City, with one-day stops in Costa Rica, El Salvador, Guatemala and Honduras. A final stop in Nicaragua "still is undecided," he said.

He said the 12 members had decided to travel together rather than in small groups staying longer in separate places, as was proposed earlier.

New Reagan Strategy for Covert Activities In Nicaragua Likely to Clear Senate Panel

By GERALD F. SEIR

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—The Reagan administration sketched out a revised blueprint for covert activities in Nicaragua that appears likely to win the backing of the Senate Intelligence Committee.

Secretary of State George Shultz and Central Intelligence Agency Director William Casey yesterday appeared at a closed committee session to deliver the new plan, known as an intelligence "finding."

Congressional sources said the finding expands the administration's originally stated goals of the Nicaraguan operation, although the expansion doesn't go as far as some administration officials had wanted.

The new finding, the sources said, declares that the U.S. intends to support insurgents opposed to Nicaragua's leftist government until Nicaragua quits backing revolutionary movements elsewhere in Central America. This goal is broader than the one the Reagan administration originally stated two years ago, when it said it would support Nicaraguan insurgents because they could help cut off arms flowing from Nicaragua to leftist rebels in El Salvador.

But the CIA has been considering expanding its official goals even further, in the new finding. Officials had considered declaring that the Nicaraguan operation is intended to force fundamental changes in the overall policies of the Nicaraguan government.

Such a broad statement, though, might have been interpreted in Congress to mean that the administration would try to overthrow the Nicaraguan government. And Congress has specifically prohibited actions to topple the Nicaraguan regime.

So the administration rejected the more expansive statement of goals in hopes of winning more congressional backing.

And congressional aides think the administration now has a good chance of winning the support of the Senate committee, which had demanded the new finding to clarify the administration's intentions in Nicaragua.

Committee members will cast private votes over the next two days on whether to approve or disapprove the new plan. Congressional sources said that the new finding initially seemed to attract "substantial support" during yesterday's two-hour meeting with Mr. Shultz and Mr. Casey.

Still, some Democrats, notably Delaware Sen. Joseph Biden, expressed misgivings, aides said. So it is possible that opposition to the new plan could grow.

The Intelligence Committee earlier forced the administration to draw up a new finding for the Nicaraguan program when it voted to cut off funding at the end of this month unless the administration presented a new statement of its goals. Lawmakers complained that the Nicaraguan program had expanded well beyond its original purpose of interdicting arms flows from Nicaragua, and they worried that it might spin out of control.

Because of such fears, the House voted during the summer to cut off all funds for the Nicaraguan covert operation. But the House must reconsider the issue again when it votes on a bill to finance intelligence operations in the fiscal year beginning Oct. 1. Administration allies will try then to reverse the funds cutoff.

The Senate committee's demand that it be allowed to vote to approve or disapprove an intelligence finding represents a departure from normal procedures. In other cases, congressional intelligence committees are briefed on covert operations but don't specifically vote to approve or disapprove them.

In this case, the committee will vote on whether it approves the new intelligence finding, then recommend to the full Senate whether to continue financing the Nicaraguan operation.

ARTICLE APPEARED
ON PAGE A-99

WASHINGTON POST
21 September 1983

STAT

STAT

New Justification For U.S. Activity in Nicaragua Offered

By Joanne Omang
Washington Post Staff Writer

Secretary of State George P. Shultz and CIA Director William J. Casey offered Congress a new justification for covert U.S. activity in Nicaragua yesterday, stating that its purpose is to pressure the leftist Sandinista government into stopping its efforts to export revolution.

Sources familiar with the closed-door presentation to members of the Senate Intelligence Committee said the new "finding" is a significant shift in emphasis from previous administration explanations that covert U.S. aid to anti-Sandinista rebels was aimed at stopping the flow of arms from the Sandinistas to leftist guerrillas in El Salvador.

Instead, the sources said, the action will now be justified as necessary as long as Nicaragua continues to help guerrillas elsewhere in Central America.

The new justification, first reported by The Washington Post in July, is consistent with recent Reagan administration demands that the Sandinistas change their overall behavior in Central America. The administration has vehemently denied that it supports the avowed goal of the anti-Sandinista rebels to overthrow the Nicaraguan government.

In a statement after yesterday's three-hour meeting, Intelligence Committee

Chairman Barry Goldwater (R-Ariz.) said he expects the committee to decide whether to approve the new finding by the end of the week. Approval would put before the Senate the question of continuing the estimated \$80 million program of aid to anti-Sandinista rebel forces.

The committee voted last May to continue funds for covert action in Nicaragua after Oct. 1 only if President Reagan provided "a redefined position on Central America," Goldwater said at the time. "We want him to tell us in plain language just what it is he wants to do relative to Nicaragua and the other countries."

The sources said yesterday's meeting was "not heated" despite the presence of several prominent administration critics and some "very tough questioning." They said committee members "seemed inclined to support the proposal."

On the House side, former CIA director William E. Colby urged the Intelligence Committee to reject proposed new curbs on the agency's covert actions abroad. If Congress has problems keeping track of what the agency is doing, he said, "you have to take a two-by-four to the head of the mule . . . but I don't think this is the two-by-four."

Colby was the opening witness at three days of committee hearings on legislation sponsored by Rep. Wyche Fowler Jr. (D-Ga.) that would require the administration to give prior notification to the House and Senate Intelligence committees of any covert action and would give them a veto power over it. Existing law requires only that Congress be "fully and currently informed" of "significant" activity, and offers no remedy other than a fund cutoff after the fact.

Covert action also would have to be preceded by a written presidential finding to the committees that the action is essential to U.S. security, consistent with public U.S. foreign policy, and needed despite its risks because extraordinary circumstances mean that overt or less sensitive tactics cannot accomplish the goal. Wartime operations would be exempt from the restrictions.

These provisions, Colby said, "will ensure that no clandestine activity . . . will ever take place." Colby, who was CIA director from 1973 to 1976, said he had no quarrel with the imposition of standards upon the beginning of a covert action and said Fowler's proposals were "very good" standards.

"My only question is whether you want to absolutely set them into legal concrete," he said.

ARTICLE APPEARED
ON PAGE 6 Sec 1CHICAGO TRIBUNE
21 September 1983

Debate data leak 'organized effort'

By Dorothy Collin
Chicago Tribune

WASHINGTON—Rep. Donald Albosta [D., Mich.], chairman of the House subcommittee investigating the debate papers controversy, said Monday that he thinks there was an "organized effort" to "acquire material from the Carter White House" for the Reagan campaign.

Albosta cautioned, however, that his investigation might fail to determine who took the papers. "I believe we can indicate someone did it, but whether we can find the exact person remains to be seen," Albosta said.

"We have to make the assumption that it was the Carter people taking material from the Carter White House, not Reagan people," he added.

Saying he thinks there was "most likely" more than one person involved, Albosta said such efforts are "not unusual" in campaigns. But he said there could be a "major problem" if some of the information passed from the White House to the

campaign came from a National Security Council source.

ALBOSTA SAID his subcommittee will hold hearings in early October and that witnesses will be placed under oath, raising the possibility of a confrontation with the White House over testimony by former campaign workers who are now part of the administration.

Among those who might be asked to testify are White House Chief of Staff James Baker and CIA Director William Casey. Baker, who was also chief of staff of Reagan's campaign, has said he knew of the papers and thought they came from Casey, Reagan's campaign manager. Casey has said he doesn't remember anything about it and is convinced that if he had received the papers, he would have remembered it.

In addition, Albosta announced an agreement with the White House to give investigators access to files of White House Counselor Edwin Meese, who was the campaign worker who handled negotiations leading to the debate and who later headed the Reagan transition team.

THE FILES COVERED under the agreement are those from the Reagan campaign and the transition period.

"There could be things in the transition period that could indicate what took place before," Albosta said.

However, the congressman refused to say why the investigators want to examine Meese's files or what they hope to find in them. A spokesman said the request to look at the files came as a result of the investigation so far.

Meese's files are at the Hoover Institution of War and Peace on the Stanford University campus. The institution, a conservative think tank, helped supply ideas and personnel for the Reagan administration.

Investigators also will have access to the files of Robert Garrick, the director of campaign operations who set up an intelligence operation within the Reagan campaign aimed at finding out if the Carter administration planned an "October surprise" to solve the Iranian hostage crisis.

DURING THE 1980 presidential campaign, Reagan's advisers were

worried that Carter would spring such a "surprise," perhaps affecting the outcome of the campaign.

Garrick's operation is said to have used information from retired military and intelligence agency officers in an attempt to find out if Carter planned a military move to rescue the hostages in the weeks before the election.

In addition, the committee is looking into allegations that the Reagan campaign may have obtained reports from National Security Council sources.

Albosta said that up to now investigators have been looking only at the files of Reagan campaign officials against whom allegations have been made.

"Now, we have further access," he said.

Albosta said investigators have talked to about 75 people concerning the debate papers controversy, which centers on how Carter's briefing book for the campaign debate between Carter and Reagan ended up in possession of the Reagan campaign.

ARTICLE APPEARED
ON PAGE **A-3**

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400070001-9

NEW YORK TIMES

21 September 1983

More Aid to Nicaraguan Rebels Backed

Special to The New York Times

WASHINGTON, Sept. 20 — The Reagan Administration told the Senate Intelligence Committee today that it planned to continue covert military aid to the Nicaraguan insurgents until the Sandinista Government stopped giving military support to the rebels in El Salvador, according to participants in the meeting.

William J. Casey, Director of Central Intelligence, and Secretary of State George P. Shultz met for several hours behind closed doors with the committee, which is headed by Senator Barry Goldwater, Republican of Arizona. Senator Goldwater had requested a report on plans for the fiscal year that begins on Oct. 1.

The Administration is obliged to report to the intelligence committees of both houses on the goals and objectives of any covert activity. The committee had declared in May that it would cut off the aid in the absence of a new report by Sept. 30.

Most of the committee members were reportedly satisfied by the limited nature of the Nicaraguan program. Some had been concerned because Mr. Casey had reportedly suggested before the Congressional recess last month that the Administration might decide to back the Nicaraguan "contras," as the insurgents are known, with the aim of overthrowing the Managua Government, which is supported by Cuba and other Communist states.

'Very Impressed With Shultz'

"The members were very impressed with Shultz," one participant said. "They thought the plan was much more sensible than in the past. It looked as if it had some coherence and practicality."

President Reagan had said publicly that the United States had no intention of overthrowing the Sandinista Government. Administration officials had said that the \$19 million which had been appropriated in the current fiscal year for covert aid was only meant to prevent arms from Nicaragua from going to the insurgents in El Salvador.

An Administration official said that the program outlined by Mr. Casey and Mr. Shultz went beyond the scope of the current program. He said it was not limited to interdicting arms, but was more broadly stated in general support of the Nicaraguan rebels. "We were always being questioned," an official said, "on whether we were going beyond our program of interdicting arms. Now we say, 'Yes, we are supporting the rebels until the Nicaraguans stop their subversion in neighboring countries.'"

"It was a very positive statement," the official said, adding that "I wished the press would have been able to hear it."

Honduras and Costa Rica Included

One participant said that the covert aid was to be used, not only until the Sandinistas stopped supporting insurgents in El Salvador, but in Honduras and Costa Rica as well.

The Administration official stressed that this approach should end the argument over whether the Administration was violating its pledge by doing more than just stopping the arms flow. The official also said that there was no thought of the Administration backing the insurgents in trying to overthrow the Sandinista Government.

The House earlier this year passed a bill cutting off all covert aid to the Nicaraguan insurgents for the 1983 fiscal year, but it stood little chance of passage by the Senate. In the absence of action by both houses to cut off the aid, it continued. Today's committee meeting seemed to clear the way for Senate approval for the 1984 fiscal year, which begins Oct. 1. The House will have to decide whether it wants to vote again to cut off covert aid in the next fiscal year.

The Senate Intelligence Committee has generally been supportive of the

Administration's actions in Central America. The chief critic of the Administration on the committee is Senator Joseph R. Biden, Democrat of Delaware.

According to participants in the session, the Administration witnesses presented a formal finding by President Reagan that it would be in the national security interest to continue a paramilitary program directed against the Sandinistas.

ARTICLE APPEARED
ON PAGE A-5

BALTIMORE SUN
20 September 1983

Theft of Carter data called 'organized'

By Nancy J. Schwerzler
Washington Bureau of The Sun

Washington — The chairman of a House panel investigating the 1980 Reagan campaign's use of Carter briefing materials said yesterday he has concluded there was an "organized effort to obtain material" from the Carter administration to aid the Reagan campaign.

Representative Donald J. Albosta (D, Mich.) would not elaborate on what, if any, specific information had prompted his observations, but he did say that he did not think it "unusual in any presidential campaign" for one side to try to obtain information about the other.

Mr. Albosta, chairman of the Human Resources Subcommittee, also announced that he plans to hold public hearings, perhaps next month, in the probe. In addition, Mr. Albosta's panel has reached a new agreement with the White House for investigators to review transition-period files of presidential counselor Edwin W. Meese III, who was chief of staff and principal issues adviser in the Reagan campaign.

Mr. Albosta, who said investigators have interviewed about 75 persons so far and plan to interview another 30 to 35, commented that the course of the briefing book inquiry has led him to conclude that there was "an effort on someone's part to acquire information from the Carter White House for informational purposes for the Reagan-Bush campaign."

"I think most likely there was more than one person involved," he said, and there was "some organized effort to obtain material."

Asked if he meant that the Reagan

campaign had made such an effort, Representative Albosta replied, "who would the material benefit?"

On public hearings, Mr. Albosta said his panel would possibly call two witnesses next month. But he did not identify them, other than to say that his panel "won't necessarily" interview the top officials of the Reagan campaign who are now part of the White House staff.

One of those officials, Mr. Meese, will have his files examined by congressional investigators, probably this week, at archives of the Hoover Institution in California, Mr. Albosta said. Those documents, which were not covered by an earlier agreement between the subcommittee and the White House, include campaign files and also cover the transition period between the election and Mr. Reagan's inauguration.

Aides said the panel's investigators, under an earlier agreement with the White House, have already reviewed campaign files of several top administration officials, including CIA Director William J. Casey and Chief of Staff James A. Baker III. Investigators are also in the process of reviewing the files of David A. Stockman, the budget director who also coached Mr. Reagan for his debate against Mr. Carter and has acknowledged that documents "pilfered" from the Carter campaign ended up in the Reagan camp.

The FBI is also probing the briefing book matter and Mr. Albosta acknowledged that the federal investigators are ahead of his inquiry in some aspects. He said the agency, which has been turning over material to the House panel, has been "slower than I would like to see it" in "giving us information."

ARTICLE APPEARED
ON PAGE A-4

WASHINGTON TIMES
20 September 1983

Silva

Carter camp focus of debate probe

By George Archibald
WASHINGTON TIMES STAFF

The House subcommittee investigating how President Reagan's campaign obtained Jimmy Carter's debate briefing materials is focusing on possible wrongdoing by Carter White House employees, the panel's chairman said yesterday.

Rep. Donald J. Albosta, D-Mich., also said the pattern emerging from the inquiry is that "more than one" White House employee working for then-President Carter gave the briefing materials to the Reagan campaign.

"There has been no allegation that anything was stolen" by the Reagan camp, Albosta stated.

"There was an effort on someone's part (in the Reagan campaign) to acquire materials from the Carter White House for information purposes," he said.

Albosta declined to say whether he knows who initiated the effort, but he added that it would not be "unusual" for one presidential campaign to attempt to obtain another's internal documents.

"What could be unusual ... is where the material came from, particularly if it came out of the National Security Council," Albosta said. "If we have a possibility that people will remove, for political purposes, material that is sensitive to the security — either economically or to the defense of this country — then we have a major problem."

"If it was removed and if it was done in an organized effort, I think it is important for the American people to know if that is going to continue to happen," he added.

Albosta said the panel's investigators want to review personal files — rather than general campaign files — of several people, including White



Rep. Donald J. Albosta

"If we have a possibility that people will remove, for political purposes, material that is sensitive to the security — either economically or to the defense of this country — then we have a major problem."

House Counselor Edwin Meese III and Adm. Robert Garrick, who headed research for the Reagan campaign. Some of the files are at the Hoover Institution at Stanford.

Asked why investigators were returning to the Hoover archives, where Meese's transition files are housed, Albosta said, "There could be things that would indicate during the (post-election) transition period ... what could have taken place before, during the campaign."

Other files belonging to David R. Gergen, White House communications director, and Wayne H. Valis, a former Reagan aide, may be at the American Enterprise Institute, a Republican-oriented public policy think-tank, where both men worked during the campaign, Albosta said.

The congressman said he "would not rule out" asking AEI to open its files to House investigators. AEI

would "cooperate fully" with the panel, stated a spokeswoman for the research organization.

The panel has interviewed about 75 witnesses from both the Carter and Reagan camps and will interrogate about 35 more people before holding at least two public hearings on the Carter debate book matter in early October, Albosta said.

He declined to discuss details of what the investigation has learned. But he said, "My opinion is we will get to the bottom of it. ... I believe we will be able to indicate someone did it. Whether or not we will find the exact person and whether or not we will have someone who would have a reason, it remains to be seen."

Asked if this meant the probe has not yet identified any "moles" in the Carter White House, he replied: "I don't want you to think we have, and I don't want you to think we haven't."

ARTICLE APPEARED
ON PAGE A-2

WASHINGTON POST
20 September 1983

File Only - DCI

Albosta Sees 'Organized Effort' To Get Carter Material in '80

By Howard Kurtz
Washington Post Staff Writer

Rep. Donald J. Albosta (D-Mich.) said yesterday that he has concluded that there was "an organized effort to obtain material" from the Carter White House in 1980 and that "more than one" aide to Jimmy Carter was involved in providing documents to the Reagan presidential campaign.

Albosta, whose House Post Office and Civil Service subcommittee has been investigating the acquisition of Carter papers by the Reagan campaign during the 1980 election, declined to give specifics, saying he wanted to preserve the probe's secrecy. He said he would detail some of the findings next month at the first of two planned public hearings.

Albosta spoke to reporters after successfully urging the House to pass a five-year reauthorization of the Office of Government Ethics, which is scheduled to go out of business Sept. 30. Albosta said he may propose further amendments to the ethics act to deal with the kind of allegations he is investigating.

"The trend seems to indicate that there was some organized effort to obtain material... from the Carter White House for informational purposes for the Reagan-Bush campaign," Albosta said. He said the subcommittee still is focusing on indications that some material may have been taken from Carter's National Security Council.

Albosta said his staff has interviewed about 75 people and that he



REP. DONALD J. ALBOSTA
... "more than one" provided papers

now expects to "get to the bottom" of the mystery. By the time the probe is finished, he said, "I believe we will be able to indicate someone did it."

Albosta also said he has reached agreement with the White House to allow congressional investigators to inspect new Reagan campaign files stored at the Hoover Institution at Stanford University.

He said these would include the personal campaign files of White House counselor Edwin Meese III and of Robert Garrick, a retired ad-

miral who helped the Reagan campaign monitor military bases in case of an "October surprise" by the Carter White House.

Albosta said some personal files—including those of White House chief of staff James A. Baker III and CIA Director William J. Casey—were not located in California, but that his staff has been able to inspect them in Washington. He added, however, that the FBI has been "slow" to provide the panel with information from its criminal investigation.

The measure extending the five-year-old Office of Government Ethics plugs several "loopholes" in the law, Albosta said. The bill would allow the office to draft government-wide ethics regulations, to review financial disclosure statements of 69 additional White House aides and to extend disclosure requirements to some members of advisory committees. The bill also would require persons nominated by the president to high-level jobs to update their financial disclosure statements before their Senate confirmation hearings.

Aides said this was in response to a 1981 incident involving Attorney General William French Smith, who did not report a \$50,000 corporate severance payment that he received shortly after filing his disclosure statement.

The House measure must be reconciled with a Senate version that would give the ethics office director a fixed tenure that would not coincide with the president's term.

House Inquiry Leader Says Reagan Sought '80 Papers

By MARTIN TOLCHIN

Special to The New York Times

WASHINGTON, Sept. 19 — The chairman of a Congressional investigation into the conduct of the 1980 Presidential campaign said today that investigators had uncovered evidence indicating "an organized effort" by Ronald Reagan's campaign to obtain materials from the Carter White House.

Representative Donald J. Albosta, Democrat of Michigan, gave his interpretation of the investigators' findings in his first status report since his Human Resources subcommittee of the Post Office and Civil Service Committee began its investigation in June.

However, the counsel for the Republican members of the committee said he disagreed with Mr. Albosta's conclusion, and Mr. Albosta, saying he thought it was "important to maintain the secrecy" of the investigation, declined to offer specific evidence to substantiate his findings.

There was no immediate comment from the White House on Mr. Albosta's statement.

Public Hearings in October

Mr. Albosta said public hearings would begin in early October. The hearings could provide the spectacle of two top aides in the White House contradicting each under oath.

It is widely expected that James A. Baker 3d, William J. Casey and Edwin

Meese 3d will be asked to testify, although Mr. Albosta declined to comment on prospective witnesses. Mr. Baker, the White House chief of staff, has said that he received the Carter White House materials from Mr. Casey, director of Central Intelligence, who has disputed Mr. Baker's recollection. Mr. Meese, White House counsel, was director of the Reagan transition team.

Mr. Albosta said that investigators had interviewed about 75 witnesses, equally divided between Reagan campaign aides and Carter White House officials, and that another 30 to 35 would be questioned. In addition, investigators have studied personal and official files of aides to Mr. Reagan's Presidential campaign.

Mr. Albosta said he recently concluded an agreement whereby investigators would study the personal files of Mr. Meese and retired Adm. Robert Garrick, who has said he organized a network of retired military officers to monitor the movement of United States troops and aircraft for the Reagan campaign. The network was looking for signs of the imminent release of the American hostages then held in Iran.

"There was a pattern, an organized effort on someone's part to acquire material from the Carter White House for the Reagan-Bush campaign," Mr. Albosta said.

Mr. Albosta, asked who initiated the effort, replied, "Who would the material benefit?"

G.O.P. Aide Disputes Findings

Steve Hemphill, counsel to the Republican minority of the Post Office and Civil Service Committee, disputed Mr. Albosta's findings. "I have sat in on the overwhelming majority of interviews and have reviewed the documents, and I do not reach the same conclusion," he said. "It's too premature to draw that kind of conclusion."

Mr. Hemphill, asked whether White House aides would be called, said "that's totally within the purview of the chairman."

The subcommittee has been investigating how Carter White House documents found their way into the Reagan campaign, where they were used to brief Mr. Reagan for his televised debate with Mr. Carter.

Mr. Albosta said evidence indicated the involvement of more than one person in both the Carter White House and the Reagan campaign. "It was not un-

usual for one campaign to steal material from another campaign," he said.

"What's unusual is where the material came out of the National Security Council," he added.

'Get to the Bottom of It'

Mr. Albosta said that although the Federal Bureau of Investigation had been helpful in the past in giving the committee materials it had developed, the pace had slowed in recent weeks.

"They've been slow in giving us material that I think we should have in our investigation," he said.

Mr. Albosta expressed confidence in the investigation. "My opinion is that we will get to the bottom of it," he said.

Mr. Albosta gave the status report after the House unanimously approved a five-year reauthorization of the Office of Government Ethics. He said the law might have to be amended after completion of his investigation into the briefing documents.

"One set of concerns raised regards the law and standards of conduct affecting Federal employees' stewardship of Government property and information and the use of their positions for personal gain," he told the House. "Are those standards adequate? Are they understood, enforced, or enforceable at all?"

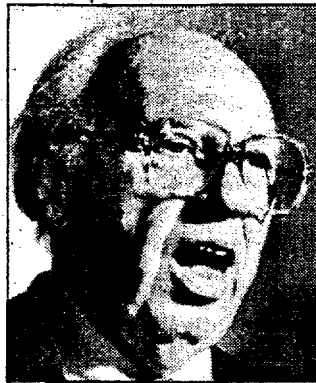
The House Speaker, Thomas P. O'Neill, Democrat of Massachusetts, said today he remained unconvinced of the pressing need for Mr. Albosta's investigation. "I still don't see any great interest out there" by House members, he said.

Mr. Albosta, in response to Mr. O'Neill's statement, said, "His set of priorities dictates that the economy is the ruling thing."

LARRY KING'S PEOPLE

CIA's Casey: No spying from USA's airliners

Fasten seat belts: This column takes no prisoners. ... I asked William Casey, director of the CIA, if, to his knowledge, the USA has ever used a passenger plane for spying purposes. "Absolutely not," was the immediate reply. Casey added, "None of our allies would do that, either. The risks are just too great for whatever benefit it might bring. We care too much for human life. I have suspected Aeroflot of doing it, but have no proof. The more I think about it, though, I doubt even the Russians would do it. It's pointless."



UPI
CASEY: Using airliners for spying would be 'pointless.'

ARTICLE APPEARED

ON PAGE 4A

WASHINGTON TIMES
19 September 1983

The RAMBLER

BY JOHN McKELWAY

Clean-cut, maybe, but hardly clear-cut

How are you getting along with the Great Carter Briefing Book Caper?

I've just about had it. But will keep trying.

Now. Where are we?

I'm not so sure. When last we met to discuss all the possibilities of the on-going investigation and how an investigation gets to be on-going, there seemed to be some chance that everyone who ever saw the Carter briefing book in the Reagan campaign camp would line up to take a lie detector test administered by agents of the Federal Bureau of Investigation.

As far as I can tell, this has not taken place. But, of course, you never know what goes on in this town. And, maybe, the FBI has developed a truth-detecting machine which even now might have been put to use.

However, we do know that we have been told by the press that the FBI has asked a woman who served as a secretary in the 1980 Reagan campaign, a woman who remembers a "clean-cut" young man delivering what could have been the Carter briefing papers, to undergo hypnosis.

Apparently, the FBI did not think she was lying when she described the young man as "clean-cut," and did not proceed to hook her up to a lie detection machine. But agents figured that under hypnosis she might be able to put a little more meat on her bare-bones description.

The secretary said she thought the Great Carter Briefing Book Caper was "Mickey Mouse" and declined to undergo hypnosis.

Now. If a clean-cut young man did deliver the Carter briefing book to Reagan's campaign headquarters, the material must have been sent on to either campaign director William Casey, now head of the Central Intelligence Agency, or James Baker III, now White House chief of staff and at the time of the alleged appearance of the clean-cut young man, candidate Reagan's supervisor of debate preparations.



Baker has said he got the documents from Casey. Casey says he can't recall ever having the documents.

Now. If I can believe all this stuff, why hasn't the FBI offered to put Casey under hypnosis? Or Baker?

Why do the agents, if they did, go after a secretary? One would think the head of the CIA and the White House chief of staff would be far more interesting under hypnosis than a secretary who thinks the briefing book business is "Mickey Mouse" in the first place.

For example, would Casey describe the same young man as "clean-cut" if he could remember, under hypnosis, the guy who brought the briefing book? Casey, under hypnosis, might think the clean-cut young man looked like Baker.

And Baker, under hypnosis, might feel with some conviction the clean-cut young man resembled George Bush, a former head of the CIA.

And what would happen if both Baker and Casey were placed under hypnosis and, simultaneously, hooked up to lie detector machines? Would they describe the secretary as "clean-cut" or use some other equally fathomless description?

And, I wonder, can the FBI guarantee that if either a secretary, or a clean-cut young man, or the White House chief of staff along with the head of the CIA, is placed under hypnosis, they will be returned to normalcy?

What, come to think of it, is normal in Washington, in or out of hypnosis?

Sometimes I get the feeling that the Great Carter Briefing Book Caper is one of those Washington stories that soars into the great beyond leaving most of us lost in the dust it has kicked up.

I would hope you can handle it better. Keep trying.

Behind Reagan's "New Moderation" In Foreign Policy

The President's fresh tack is designed to insure cooperation from America's allies, calm nuclear-war worries among voters—and produce fast results.

President Reagan's response to Russia's downing of a South Korean jetliner underscores a new foreign-policy approach that combines hard words with moderate deeds.

The sanctions announced by the President on September 6 and 8 are far milder than many expected from a leader who has condemned the Soviet Union as an "evil empire." But the action squares with an approach to international affairs that is becoming steadily more flexible and pragmatic.

In the shaping of this policy, White House National Security Adviser William Clark, a man noted for his practicality and loyalty to the President, has emerged as the Chief Executive's most trusted foreign-affairs counselor.

Headlines in recent weeks have focused on how Clark has gained the upper hand in a power struggle with Secretary of State George Shultz. Largely overlooked is the fact that while Shultz has been in the background, his policies of

Reagan on Air Force One with key advisers Clark and Shultz.



moderation are being embraced on most of the major issues.

With his national-security adviser and longtime friend at his elbow, Reagan is seeking quick results overseas. This has meant departing from the strong ideological thrust that is Reagan's hallmark.

In case after case, the administration has delivered tough rhetoric, then acted with moderation. The airline incident, which provoked Reagan to launch the strongest verbal attack on the Soviet Union of any modern President, was the latest instance. His retaliatory measures were a far cry from the controversial sanctions he ordered after martial law was clamped on Poland. The measures in the airline episode were denounced by his more conservative supporters as lacking in backbone.

The Peking connection. Nowhere is the contrast between past words and current deeds seen more sharply than in dealings with China. Where Reagan once chilled Sino-American relations with talk of reviving political ties with Taiwan, today he seeks to bring Peking into a partnership to counter Soviet global ambitions—a strategy long advocated by the State Department.

Peking now qualifies to buy high-technology equipment, including some items with clear military applications, on the same basis as many U.S. allies. In late July, the administration also agreed to increase the American import quota for Chinese textiles, in return for China's stepped-up purchases of U.S. grain. A visit to Peking by Defense Secretary Caspar Weinberger in late September is aimed at getting stalled weapons-sales negotiations going again.

All this is drawing fire from critics on the right. But the White House, according to presidential aides, figures it will reap practical benefits in renewed strategic cooperation and, more than likely, a politically rewarding Reagan trip to Peking in the election year of 1984.

In the case of the Soviet Union, Reagan means it when he speaks of an "evil empire" of Communism. But, whatever his misgivings about the Soviet system, the President increasingly has emphasized the need to work with the Russians.

In the weeks before the downing of the airliner, he approved huge new grain purchases by Moscow with guarantees against future embargoes, removed remaining restrictions on the sale of pipe-laying equipment, announced a new compromise offer in arms-control talks and proposed improved hot-line procedures for handling crises. None of these moves is affected by the measures he announced in the aftermath of the attack on Korean Air Lines Flight 007.

Skeptical at first about arms-control talks of any sort with Moscow, Reagan now emphasizes flexibility and determination to negotiate seriously. His advisers say the President is responding to widespread public concern about the dangers of nuclear war and to doubts among some European allies about his commitment to arms control.

Even in Central America, pragmatism is softening rhetoric. A few days before Defense Secretary Weinberger set out in early September to review U.S. troops on maneuvers in Honduras, Special Envoy Richard Stone was on the road trying to arrange more talks with insurgent leaders. The emphasis now is on a search for peace as well as on the military buildup to pursue the war against Marxist guerrillas. **Letting Reagan Be Reagan**

In this new approach to world problems, the key role is being played by a relative novice in foreign affairs—William Clark, the President's national-security adviser.

To get the results he wants before 1984, Reagan is paying more attention to White House advice and playing down the outcome: Growing

CONTINUED

ARTICLE APPEARED
ON PAGE B-3

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400070001-9
WASHINGTON POST
15 September 1983

Disorder in the Court: Man Turns Hearing Topsy-Turvy

By Ed Bruske
Washington Post Staff Writer

A hearing at D.C. Superior Court yesterday turned into pandemonium when a defendant tried to place the judge under "citizen's arrest," dragged a deputy U.S. marshal, a clerk and an attorney behind the bench, knocked over a flag, overturned chairs and nearly reached the judge before he was finally restrained, courtroom witnesses said.

Corridors outside the courtroom were suddenly filled with a prosecutor's screams for help, and D.C. police in the vicinity rushed to the scene, reaching for their guns, witnesses said.

No one was seriously injured in the melee, but at one point the defendant as well as those trying to subdue him tumbled to the floor behind the bench while Judge W. Byron Sorrell and astonished courtroom spectators looked on.

The incident capped a bizarre series of court proceedings over several months this year involving a defendant who insists that the CIA is responsible for at least three murders and has tried to arrest, or subpoena, numerous high-ranking government officials, including CIA Director William Casey.

The defendant, Harry Zain of Charleston, W. Va., was eventually removed from the courtroom yesterday and taken to the court's cellblock after half a dozen deputy U.S. marshals responded to calls for help.

After the incident, Chief Judge H. Carl Moultrie I signed an emergency order transferring Zain to the U.S. General Hospital for psychiatric examination.

Zain had been ordered to appear in court yesterday to determine whether he should be released from jail pending a decision on whether he is mentally competent to stand trial on misdemeanor charges of simple assault and disruption of Congress. The charges were

filed against him following an incident on April 27 in which he allegedly attempted to arrest former CIA director Stansfield Turner during a House subcommittee hearing.

Zain, who told the court he would represent himself, has been held in lieu of \$2,000 bond.

Before the melee yesterday, a CIA attorney told Judge Sorrell in court that Zain had written several CIA officials concerning his allegations and had sent Casey a letter at his home in suburban Maryland, threatening to arrest the director.

Prosecutors argued that Zain should be held pending a determination on his mental competency. Sorrell, who recently had held two other hearings on Zain's bond, was speaking from the bench, asking Zain whether he would cease his threats and stay away from government officials, when Zain interrupted.

"Your honor, I cannot let the CIA go unprosecuted for murder," he said. "I charge you with being an accessory to murder. I'm going to take custody of you. I am, as a citizen, arresting you for attempted murder."

"Everyone assumed he was just running off at the mouth," a clerk in the courtroom said later.

But Zain walked around the defense table toward Sorrell and had nearly reached the bench when a deputy marshal grabbed him. Zain then pulled the law officer behind the bench, knocking over the American flag, while the judge's clerk and an assistant U.S. attorney in the courtroom joined the struggle to stop him.

According to one clerk, Zain gave up the fight to reach Sorrell, saying, "I appear to be outnumbered."

Zain gained attention two years ago when he tried to have Congress pass a law that would allow him to marry a 12-year-old girl in his home state.

A further hearing in the matter is scheduled for Nov. 1.

Source of Pilfered Papers Eludes FBI

By ROBERT L. JACKSON, *Times Staff Writer*

WASHINGTON—With nearly three months of interviews behind them, FBI agents have been frustrated so far in determining how some confidential documents of former President Jimmy Carter came into the possession of members of President Reagan's 1980 election campaign.

"They (the agents) still have a way to go but they have not found the key, the smoking gun," a government official familiar with the case said Wednesday. The official, who refused to be identified, said the FBI will not finish its field investigation until mid-October at the soonest, more than two months later than originally expected.

The source said many witnesses have been afflicted with "forgettery" when pressed about specific details of what happened three years ago with copies of Carter's campaign debate briefing papers. However, he said agents are unable to say with conviction that any of these memory lapses are deliberate.

A prime example is Reagan's former campaign receptionist, Justine Marks, the latest witness whose name has surfaced. Two sources familiar with her account of the papers' delivery said Marks has told the FBI she believes they were brought to Reagan's headquarters by a well-groomed young man—but that she does not remember his name or where he was from.

Marks has rejected a request by the FBI that she submit to hypnosis in the hope of enhancing her memory, the government official said. He said he did not know if any other witnesses had been hypnotized or had refused to be hypnotized but that the technique is not unusual in official investigations.

Couldn't Identify Man From Photos

"After all, we're talking about incidents that occurred a few years ago," he said.

Marks, who could not be reached for comment, failed to recall anything further about the looks or occupation of the young man and could not identify him from any photos shown to her, the official said. Marks was the receptionist in offices in Arlington, Va., that were occupied by Reagan's top-ranking aides.

It was learned that investigators for the House Post Office and Civil Service subcommittee on human resources, which is conducting a similar inquiry into the pilfered documents, also is seeking to interview Marks. The panel is headed by Rep. Donald J. Albosta (D-Mich.).

The summer-long case has been marked by conflicting memories as well as faulty ones. White House Chief of Staff James A. Baker III, who was in charge of preparing Reagan for his campaign debate with Carter, has said that he briefly saw some Carter debate papers provided by CIA Director William J. Casey, who was then campaign manager.

Casey has heatedly denied having had such material, saying he would not have touched it "with a 10-foot pole."

Meanwhile, Mark Ashworth, an Ohio college student who worked in Reagan's headquarters, has told Albosta's investigators that he remembers being asked to photocopy pilfered debate papers for delivery to Baker.

"It's not clear who gave what to whom," the official

Former Reagan Worker Refuses To Undergo Hypnosis in Inquiry

By LESLIE MAITLAND WERNER

Special to The New York Times

WASHINGTON, Sept. 14 — An aide in Ronald Reagan's 1980 campaign has refused a request by Federal investigators that she be hypnotized to help her recall an incident in which campaign materials prepared for President Carter may have been delivered to Reagan workers.

Federal officials said the woman, Justine Marks, had a vague recollection of such an event but could not identify the man who she thought dropped off the papers. Federal officials said the Federal Bureau of Investigation had asked Mrs. Marks to submit to hypnosis to help her remember, but that she had declined.

The officials said Mrs. Marks had been shown numerous pictures of people who might have had access to the Carter papers, which were prepared for the then President before his debate with Mr. Reagan.

But, the officials said, Mrs. Marks failed to identify anyone as the man who reportedly brought materials resembling the Carter papers to Mr. Reagan's campaign headquarters, where she was a receptionist. They said she described him as young and clean-cut.

Leaving 'No Stone Unturned'

"She may very well have something pertinent," a Federal official familiar with the inquiry said. "To say she's the key would be an exaggeration."

The official said Federal agents had proposed hypnosis because they wanted "to leave no stone unturned."

Roger S. Young, an assistant director of the F.B.I. in charge of Congressional and public affairs, declined to comment on the bureau's inquiry. He

also declined to say whether or not agents had interviewed Mrs. Marks or had requested that she be hypnotized.

But he said the bureau had found hypnosis to be a useful technique in helping witnesses recall details of events they otherwise could not remember.

Mrs. Marks, reached for comment in Augusta, Me., confirmed that she had told investigators about the event and that she had refused to be hypnotized. She declined to discuss details of what she had told the agents because she had an exclusive arrangement with ABC television to appear on its "Good Morning America" program Thursday.

Asked if she was being paid for her appearance, she said, "That's my business," and ended the conversation.

George Watson, vice president of ABC News, reached by telephone, confirmed that Mrs. Marks was scheduled to appear on the program Thursday, but he said the network's entertainment division had arranged the appearance, not the news department.

"We are paying her nothing except her travel expenses from Maine to New York and back," Mr. Watson said. He added that guests were often asked, on a voluntary basis, not to discuss in advance what they would say before a program.

WASHINGTON POST
 14 September 1983

Ex-Receptionist Recollects 1980 Debate Papers

By Martin Schram
 and Bob Woodward
 Washington Post Staff Writers

The former executive receptionist of the 1980 Reagan campaign has told the FBI that papers resembling President Carter's debate briefing materials were delivered to the headquarters by a person she remembers only as "a young, clean-cut man."

And, in an unusual move, the FBI asked her to undergo hypnosis to help her identify the man she says brought the documents and the top Reagan official who received them.

The receptionist, Justine Marks, told FBI agents in four interviews that she can recall only that the papers were brought to the Reagan headquarters by a male who was under 30 years of age, according to informed sources.

Marks controlled access to the fourth-floor offices of the top Reagan campaign executives, including campaign director William J. Casey and senior adviser James A. Baker III, who supervised the debate preparations.

Marks confirmed this account during several telephone interviews with The Washington Post. She said that last Thursday she declined the FBI request that she undergo hypnosis even though the FBI agents had told her, "we feel you can provide us with the missing link," she said.

Marks said: "I feel I may be obstructing the investigation but I just can't" undergo hypnosis. "... I find hypnosis an unnatural state, like a fortune teller. . . . I would consider this differently if it were a murder, but I think the briefing book thing is Mickey Mouse and I told the agent no."

In eight hours of interviews with the FBI, agents showed her 600 to 700 photographs. But she said she was unable to identify the young man who she says brought the papers to the Reagan headquarters. Nor can she remember the time or

day when the papers were delivered, nor the senior Reagan official to whom they were delivered, she said.

FBI officials have been frustrated by the slow progress in the case.

They previously sought permission to give polygraph tests to senior Reagan officials, who have given conflicting versions of how the Carter documents wound up in the files of the Reagan campaign.

Baker, now White House chief of staff, has told investigators he received the Carter debate documents from Casey. Casey, now director of the CIA, has said he cannot recall ever having had the documents and that he would not have forgotten

them if they had ever been given to him. The FBI's decision to ask Marks to submit to hypnosis was approved "at the top" of the FBI, according to an official source. The source declined to say if it was FBI Director William H. Webster who gave the approval, or what role, if any, the Justice Department played in the decision in the politically sensitive investigation.

FBI spokesman Roger Young yesterday said he would have no comment on the matter. He nonetheless said the use of hypnosis with cooperative witnesses who cannot recall details is "a valid, accepted technique." He added, "It has been used many times with superb results."

In several telephone interviews this week, Marks confirmed what she told the FBI and described the arrival of material related to the Carter debate as "a positive recollection."

Marks added, "Of the hundreds of people who passed by me I recall I stopped someone. I don't know who. It could have been someone with the campaign, it could have been a citizen, a politician, even someone with the media and that person had material related to the briefing material for Carter."

Marks said she was not positive the Carter briefing material showed to her by the FBI was identical to the material she saw in 1980, though she said it was similar.

She said she was certain the papers received in 1980 were related to the Carter side of the debate, something that would not and did not normally come to the Reagan campaign headquarters.

Asked how she knew the material the young man was carrying was from the Carter camp, she said, "I probably asked him to state his purpose—who he wanted to see and like that."

She said she has tried as hard as possible to recall or further describe the incident or person bringing the material or receiving it but cannot honestly expand on her memory.

"There is a lot I remember," she said, adding:

13 September 1983

WASHINGTON
REAGAN
BY E. MICHAEL MYERS

President Reagan met today with Secretary of State George Shultz, just back from a confrontation with Soviet Foreign Minister Andrei Gromyko on the Soviet shootdown of a Korean airliner carrying 269 people.

After the meeting with Shultz, Reagan met with the National Security Council -- Shultz, Defense Secretary Caspar Weinberger, CIA chief William Casey and Joint Chiefs of Staff Chairman John Vessey - undoubtedly to discuss a response to the Soviet attack.

Both Shultz and Weinberger recently returned from abroad. Shultz attended an East-West human rights conference in Madrid, where he called the Soviet defense of its destruction of the airliner "preposterous."

* * * * *

EXCERPTED

ARTICLE APPEARED
ON PAGE **A-3**

NEW YORK TIMES
Approved For Release 2005/11/28 : CIA-RDP91-00901R000400070001-9
12 September 1983

Pentagon Gets Tough on Latin Policy

By PHILIP TAUBMAN

Special to The New York Times

- WASHINGTON, Sept. 11 — The Reagan Administration, despite the objections of some top State Department officials, has decided to go on the attack against Congressional opposition to its Central America policy, according to senior Administration officials.

The new stance, which represents a break with past efforts to reach an accommodation with Congress on Central America, is scheduled to be outlined in a policy speech on Monday by the Under Secretary of Defense for Policy, Fred C. Iklé, the third ranking official in the Pentagon.

The tone of the speech, which Mr. Iklé is to deliver to the Baltimore Council on Foreign Affairs, includes some of the harshest criticism of Congress by the Reagan Administration on this or any other foreign policy issue, Administration officials said. They said it was endorsed last week by White House aides over the opposition of some State Department experts on Latin America. An advance text was made available by a foreign policy adviser involved in its preparation.

It says, in part, "As long as Congress keeps crippling the President's military assistance program, we will have a policy always shy of success." It also says: "The President's policy for Central America has not been given a chance to work. Congress has denied the President the means to succeed."

'An Arsenal for Insurgency'

In addition, the speech offers the clearest statement to date by the Administration on United States opposition to the Nicaraguan Government.

"We must prevent consolidation of a Sandinista regime in Nicaragua that would become an arsenal for insurgency," the text says. "If we cannot prevent that, we have to anticipate the partition of Central America. Such a development would then force us to man a new military front line of the East-West conflict, right here on our continent."

Senior Administration officials said the speech will be the kickoff for an intense Administration campaign this fall to fight for increases in security assistance to El Salvador and Honduras and against a cutoff in American support for Nicaraguan rebels.

- Congress has not completed action on a series of requests for supplement-

tal security assistance for El Salvador and Honduras for the current fiscal year, but the Senate and House committees involved have approved less than half of the \$110 million in extra money asked for El Salvador. The House voted last month to end support for Nicaraguan rebels.

'We're Fed Up'

"We've had it with the opposition in Congress," a senior Administration official said today. "We're fed up with their interference on one hand and their lack of support on the other and we intend to fight for what we think is a minimum American commitment in the region."

The decision to go on the attack, which was reportedly supported by Defense Secretary Caspar W. Weinberger, William P. Clark, the White House national security adviser, and William J. Casey, the Director of Central Intelligence, appears to end a protracted debate within the Administration about how best to deal with Congress on Central America.

The State Department has advocated using a conciliatory posture to try to negotiate compromises with Congress on security assistance and support for Nicaraguan rebels.

This tactic was openly ridiculed by Defense Department officials, including Mr. Iklé, who argued that the best way to handle Congress was to hold out for the Administration's goals and make Congress take responsibility if

American policy failed.

Administration officials see the coming fight as a crossroads for American policy in Central America. They are particularly concerned that a failure to obtain continued financing for Nicaraguan rebels in the 1984 fiscal year, which begins next month, will lead to a serious setback for United States interests in the region. The Administration has requested \$50 million to finance rebel activities in fiscal 1984.

The House, which has voted to cut off financing for the Nicaraguan rebels in fiscal 1983, is not expected to approve any money for the operation in budget bills for 1984. The Republican-controlled Senate, which has not supported last month's House cutoff, is likely to vote to extend the financing, forcing the two houses to resolve the issue when the budget legislation comes up for compromise negotiations between the House and Senate.

The text of Mr. Iklé's speech warns that a failure to extend financing could allow Nicaragua to become a "second Cuba" that would pose a direct military threat to its neighbors. In a direct slap at the House vote to cut off money for the rebels, the text says, "The House, in effect, voted to establish a sanctuary for the Sandinistas." It goes on to charge that a failure by Congress to continue financing for the rebels would be tantamount to creating "safe havens" for terrorist and insurgent attacks.

The Purloined Paper Chase

Congressional investigators looking into how Jimmy Carter's debate briefing papers got into Reagan aides' hands in 1980 haven't found a smoking gun, but they may have come up with a hot copying machine.

It was disclosed last week that a low-level Reagan campaign worker had testified privately about making duplicates of Carter briefing materials on the orders of aides to James A. Baker 3d, who is now the White House chief of staff. The campaign worker, Mark J. Ashworth, said that on three of the four occasions he was asked to copy Carter papers he was told the copies were for Mr. Baker.

Mr. Ashworth's testimony before a House subcommittee, which he is expected to repeat publicly this fall, provided the first significant allegation of a direct link between Mr. Baker and the Carter papers. Mr. Baker has told investigators he had only a casual connection with the papers and had received them from William J. Casey, who was then Mr. Reagan's campaign manager and is now Director of Central Intelligence. Mr. Casey has flatly denied that.

Michael Wright,
Carlisle C. Douglas
and Caroline Rand Herron

EVIDENCE GAP SEEN ON CARTER PAPERS

'Memory Lapses' but No Proof
of Criminal Acts Are Found
as Inquiry Winds Down

By LESLIE MATTLAND WERNER
Special to The New York Times

WASHINGTON, Sept. 10 — The Justice Department is still at least a month away from concluding its inquiry into how Ronald Reagan's Presidential campaign obtained President Carter's political strategy papers in 1980, according to officials familiar with the investigation.

Thus far, they said, there appears to be little reason to believe the Federal Bureau of Investigation has uncovered enough evidence to bring criminal charges against anyone. But knowledgeable Federal officials said investigators had met with what one termed "inconvenient lapses of memory" on the part of lower-level workers in the 1980 Reagan campaign.

"It's clear that some people should remember a lot more than they say they can remember," a Federal official observed. He added that certain events would have naturally left an impression on some workers' minds and that their current hazy recollections suggested an effort to be less than candid.

Still unresolved, as well, are conflicting accounts provided by two top-level Administration officials, William J. Casey, the Director of Central Intelligence, and James A. Baker 3d, the White House chief of staff.

Source of Campaign Notebook

Mr. Baker, a Reagan campaign aide in 1980, has said his best recollection was that Mr. Casey gave him a black notebook containing the material originally prepared for Mr. Carter to be used in his debate with Mr. Reagan. Mr. Casey, who was chairman of the Reagan campaign, has denied being the source of the material, saying he would not have touched such a book "with a 10-foot pole."

Even so, the F.B.I. has not yet decided whether or not to ask anyone involved in the campaign to submit to polygraph, or lie-detector, tests.

No lie-detector tests have been given, a source familiar with the inquiry said. "No decision has even been made whether to use them. And it's a fairly important decision, considering the people involved."

The inquiry, expected to last at least another four or five weeks, according to officials familiar with the investigation, has involved numerous interviews with former Reagan and Carter campaign workers. Agents of the F.B.I. conducting the interviews are writing reports as each is concluded. Copies of these reports are being submitted to the Justice Department as soon as they are written, according to sources in the department.

The ultimate decision on whether to file any criminal charges rests with the Justice Department. Thomas P. DeCair, a spokesman for Attorney General William French Smith, said a report on the investigation would probably be made public whether or not criminal charges were filed.

'It's General Practice'

"It has not been decided yet," Mr. DeCair said. "But it's general practice in investigations of alleged wrongdoing by public officials to issue a report on the findings of the inquiry."

Meanwhile, the F.B.I. is also providing assistance to a Congressional subcommittee that is conducting its own inquiry into the matter. The bureau is doing so under an agreement worked out between the House subcommittee and the Administration.

"There has been a sharing of information," said Micah Green, staff director for the Human Resources Subcommittee of the Post Office and Civil Service Committee, which has jurisdiction over enforcement of the Ethics in Government Act.

Mr. Green said the subcommittee, headed by Donald J. Albosta, a Michigan Democrat, had been examining the 50 to 60 "relevant" documents discovered in President Reagan's files at the Hoover Institution on War, Revolution and Peace at Stanford University in California.

"We're going through them, and we're going through the files of relevant individuals," Mr. Green said.

He said, "We have no doubt that the F.B.I. is working quite hard on the investigation," and added that he did not know when it would be concluded.

Ethical Questions at Issue

"Our inquiry is somewhat broader, because it goes to ethical questions and not just to whether or not a law has been broken," Mr. Green said. "We have to consider whether legislation is needed."

Congressional investigators have heard private testimony from a low-level Reagan campaign aide who reportedly said aides to Mr. Baker had directed him to make copies of materials President Carter planned to use in his debate with Mr. Reagan.

According to sources familiar with that inquiry, the former aide, Mark J. Ashworth, testified that he duplicated Mr. Carter's briefing materials on four occasions and that on three of those occasions he was told the copies were for Mr. Baker.

Mr. Ashworth and others who have privately given testimony to the subcommittee will be asked to speak publicly when it holds public hearings, most likely this fall.

ARTICLE APPEARED
ON PAGE A-3

WASHINGTON POST
10 September 1983

Tightened Rules Keep Nation's Secrets Too Long, Historians Say

By Ian Black
Washington Post Staff Writer

A curious spin of the wheel that brought President Reagan to power just as government archivists were starting to declassify foreign policy documents from the Cold War years in the early 1950s has led to a heated conflict between the administration and the nation's historians.

The scholars say thousands of documents, many more than 30 years old, are being held back by the government under stringent new declassification rules that demand excessive secrecy about long-past events.

Following the release of huge amounts of material dealing with World War II and its immediate aftermath, the historians now face a diminishing availability of documents from the 1950-1954 period and the increasingly tough criteria used to justify their retention as "classified information."

"Things have gradually got more and more conservative," said Anna Nelson of George Washington University. "With the Reagan administration, the release of documents has just closed up," complained Barry Rubin, another historian of U.S.-foreign relations.

Delays in declassification, the historians say, are making it "virtually impossible" to write American diplomatic history after 1950. The snail's pace of the process is also holding up State Department publication of the multi-volume Foreign Relations of the United States series, once admired as the finest work of its kind.

Current declassification policy is based on Reagan's Executive Order 12356 of August, 1982, drafted by an interagency intelligence community committee to provide what administration officials describe as "a framework for the executive branch's information security system."

The main difference between the Reagan order and its predecessors is not so much in its standards of secrecy as in the mechanics of declassification that it requires.

Reagan dropped the Carter administration requirement that all government agencies systematically review their own documents and said that only the National Archives—its budget and staff drastically reduced—need examine records deposited there.

A year later, many historians and archivists are dismayed. "We think the principle ought to be 'When in doubt, declassify,'" said Dr. Sam Gammon, executive director of the American Historical Association. "But now it is 'When in doubt, classify.'"

He added: "We're going to be fighting a rear-guard action. I think we all have the sense that we're growling and retreating."

Even under Carter, declassification was not all that rapid, the historians say. Although he stipulated review of government documents after 20 years, instead of 30 under President Nixon, a growing awareness of Cold War sensitivities combined with budgetary and manpower problems rendered the theoretically more liberal approach ineffective.

Reagan's order, according to Milton Gustafson, head of the diplomatic records branch at the National Archives, "confirmed the practice of the Carter order and eliminated some of the anomalies. Carter's was liberal in theory and conservative in practice. The Reagan order simply eliminated the liberal part."

The declassification process goes on every working day in the State Department's Classification/Declassification Center (CDC) to determine whether historical material can be deposited for public use in the National Archives.

There are 160 retired foreign service officers involved. Using a 6-inch-thick set of highly-detailed country-by-country guidelines, which themselves remain classified,

these reviewers weed out the sensitive material from tons of innocuous documents, leaving behind a record which the scholars say is incomplete and possibly misleading.

The classification decisions are quite complicated. When a visitor came to the classification center earlier this year, one of the "annuitants" employed there was reviewing a telegram sent from the U.S. Embassy in Damascus, Syria, to State on May 27, 1953, more than 30 years previously. He decided that it must remain secret because it contained "security/classified information."

"When you are an historian you recognize that one or two critical documents can completely change the nature of the story," said Betty Unterberger, a faculty member at Texas A&M University. "The public's right to know is being overshadowed by what bureaucrats say are security interests."

Control over declassification first began to tighten up under Carter in 1979, when the CDC was created within State's Bureau of Administration to centralize a process that had grown hugely because of requests for documents under the Freedom of Information Act.

Declassification was previously handled by the department's Office of the Historian in the Bureau of Public Affairs. The office was—and remains—responsible for publication of the Foreign Relations of the United States volumes, but it now depends on the CDC for authority to publish.

"The historian's office was perceived as too liberal, and the idea was to have a separate office to have responsibility for declassification," said Gustafson. "It was seen as an

administrative problem rather than a public affairs matter."

William Z. Slany, the historian in the State Department office, makes the same point: "Historians obviously have a different view of documents from professional people whose concern is the effective application of regulations. We are moving toward different agendas. I regret that this office no longer has as much of a role as it used to."

And there is another problem: the very subject matter of American foreign relations in the aftermath of World War II.

"The world up to 1949 didn't have quite the same problems as afterward," said Edwin Thompson, director of the Archives' records declassification division.

"There was no NATO, no Iron Curtain, no East versus West, the whole deepening of the Cold War. And you didn't have Korea. Now much more detailed examination is necessary," he said.

Among the drafters of Reagan's executive order, said Slany, "there was a growing

I copied Carter papers: student

By James O'Shea
Chicago Tribune

DAYTON—A college student who worked as a clerk in Ronald Reagan's 1980 presidential campaign said Thursday that a campaign official claiming to speak for James Baker, now the White House chief of staff, ordered him to make copies of briefing materials prepared by President Jimmy Carter's campaign organization.

Mark Ashworth, who operated a copying machine on the fourth floor of Reagan-Bush headquarters in Arlington, Va., said he copied Carter materials on several occasions, including once when Emily Ford, an aide to Vice President George Bush, told him the copies "were for Mr. Baker." At the time, Baker was Reagan's debate manager and a chief campaign strategist.

During an interview at his parents' suburban Dayton home, Ashworth received a telephone call from the FBI and was told he was to be questioned by agents next week. The FBI is investigating the possibility that the obtaining of Carter campaign documents by Reagan aides violated federal laws.

Ashworth said he told his story last week to congressional investigators who also are trying to determine how the Reagan campaign obtained the papers, which Reagan aides have acknowledged they used to prepare Reagan for his nationally televised debate with Carter.

ASHWORTH'S STATEMENTS are being viewed as significant because of Baker's recollection that he passed the Carter briefing materials to David Gergen, now White House communications director, after receiving them from Reagan's campaign manager, William Casey. Casey has denied any knowledge of the documents or how they were obtained.

Baker's office said he would have no comment on Ashworth's recollections. But one high-ranking aide to Baker described Ashworth's testimony as "nonsense," and other aides questioned how Ashworth could remember a few documents out of the thousands he had handled during the campaign.

Ashworth, 24, returned to Wright State University in Dayton after holding several low-echelon White House jobs and a post with a now-defunct political action committee called Americans for the Reagan Agenda.

Last week, Ashworth said, he spent 14 hours talking with subcommittee members and investigators of the House Post Office and Civil Service Subcommittee.

"They gave me a lot of documents to look at, and they had a lot of questions," he said. "They told me not to discuss this in public or with the press because it still is under investigation."

ASHWORTH SAID he had appeared before the subcommittee last week at its request and not under a subpoena. The subcommittee plans to hold public hearings this fall.

Ashworth recalled that the documents he copied were not on White House stationery and did not bear the presidential seal or even the letterhead of the Carter-Mondale campaign.

"All of the covers had been removed," he said.

He said he remembered the documents, however, because of the unusual nature and the manner in which the copies were requested by campaign aides. When he appeared before the subcommittee, he said, he was shown copies of Carter campaign materials found in Reagan campaign files. He said he identified some as the type of the documents he had copied in 1980.

"I would stand there with my Kodak machine and copy Reagan and Bush Re-election Committee documents, Reagan briefing books, campaign papers," he said, "and then all of a sudden someone comes up and wants you to copy papers in which all of the issues have a Democratic slant. They [the Carter documents] had different typefaces and markings."

"I REMEMBER thinking at the time, 'Gee, that's funny.' I was just a naive campaign aide. I didn't realize what had happened until I started reading about it in the press. I remember them now because certain things like the typeface are keys that trigger your memory."

Ashworth said he agreed to testify to the subcommittee and be questioned by the FBI because "I am an honest person, and the President has asked anyone who worked on the campaign to cooperate with the investigation."

Ashworth told the subcommittee that the documents included comparisons of the Carter and Reagan platforms, comparisons of the candidates' economic proposals, a list of Carter's legislative accomplishments, an analysis of Carter's vetoes and suggested questions and answers.

On one occasion, Ashworth recalled, Emily Ford approached him and asked him to copy some of the documents that Ashworth remembers as Carter campaign materials.

"I remember it because she got mad at me," he said. "I was working on something for Ed Meese [now counselor to the President and then a Reagan campaign official], and I told her I couldn't make her copies then. I got mad at her, too. She said the copies were for Mr. Baker."

A White House spokesman said Ford would have no comment.

STAT

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400070001-9

Approved For Release 2005/11/28 : CIA-RDP91-00901R000400070001-9

ARTICLE APPEARED
ON PAGE B-1

WASHINGTON POST
7 September 1983

o/s
DCI

file only

The Truth Tester

By Jacqueline Trescott

Two truths about lie detectors:

1. Experts prefer the term "polygraph test" over "lie detector."

2. They say the examination cannot be cheated on.

Some fears about lie detectors:

1. An uncomfortable vision of being strapped to a machine, watching a needle jump around if you breathe the wrong way, beads of sweat forming on your forehead, giving you away.

2. The growing use of the machines by industry and government employers, like the D.C. police, conjuring up again the specter of "1984."

The Great Debate:

Whether William Casey, the director of the Central Intelligence Agency, and James Baker, the White House chief of staff, will be asked to take polygraph tests as part of the Carter-Reagan debate papers investigation.

Washington has long been a center for the Big Lie Detector Controversy. It was a case argued here in 1923, *Frye v. United States*, that rejected the results of a precursor of the polygraph as evidence. Polygraph results are not admissible in federal courts and many state courts, and the District has one of the stiffest laws, forbidding employers to use the tests. And it was a Capitol Hill sage, former senator Sam Ervin, who called the tests "a 20th-century instrument of witchcraft."

The debate over the reliability and application of the polygraph was renewed this year when President Reagan issued a directive, since limited by Congress, making lie detector tests a condition for federal employees with security clearances. Also heating up the controversy: the possible use of polygraph tests in the debate papers caper; and a claim by a high-ranking Defense Department

official, who once said polygraphs "misclassified innocent people as liars," that Soviet spies were being trained to fool the tests.

In an internal memo disclosed last month, John F. Beary III, assistant secretary of defense for health affairs, said, "I am told the Soviets have a training school where they teach their agents how to beat the polygraph."

A few days later, James Hamilton, the special counsel hired in the congressional probe of the purloined papers and the conflicting statements of Casey and Baker, was quoted as saying he doubted the polygraph tests could clear up the discrepancies. Yesterday Hamilton said, "The chairman has not decided whether to seek lie detector tests. In some cases it can be fairly useful."

Polygraph examinations usually take more than an hour. They begin with an interview, where the examiner sets a rapport with the person being tested. Then the questions. The first set is neutral, with such questions as "What is your mother's name?" This establishes the norm of truth, the subject's physical reactions to nonstressful questions. Then in the key questions, the examiner watches for signs of stress, such as changes in pulse rate or breathing.

"Polygraph examiners dislike the term 'lie detector.' It supposes deception," says Raymond Weir Jr., past president of the American Polygraph Association and one of Washington's best-known polygraph examiners. But the "Lie Detector" show, which flamboyant criminal lawyer F. Lee Bailey briefly brought to television earlier this year, selected the objectionable term for the show, as does the strict District law regarding their use, and Weir admits the television exposure hasn't hurt the industry.

The experts discount the theory that you can put yourself in a happy or angry frame of mind—think only pleasant thoughts, or wear a too-tight pair of shoes (causing you to wince), stay up for three nights, fast, or answer in a monotone—all this to keep the emotional response constant.

These countermeasures, says psychologist David Raskin of the University of Utah, generally are ineffective. "What is potentially effective are the physical matters, biting your tongue, pressing down your toes at particular points." But the rub, says Raskin, who did a government study on the counter techniques, is you have to have coaching to know how to use them. "A person just doesn't stumble on this. You have to be trained to turn off and on, do it unobtrusively, because there are ways of detecting their use."

Other experts agree. "Trying to beat the test is counterproductive. People become more relaxed, more confident, and are more willing to discuss things in an open way. The more the feeling you can beat it is exposed, the less people will be able to beat it," says James Starrs, a law professor at George Washington University.

Weir, a former director of internal security for the National Security Agency who has done thousands of

the examinations since he started in 1951, adds, "If such a thing were possible, the criminal element would have had it beat a long time ago."

Weir, who gave a test to the chief witness against former Georgia senator Herman Talmadge during the Senate investigation into charges of misconduct (for which he was later denounced), says testing Casey and Baker with the polygraph would be "exceedingly appropriate."

How accurate are the tests? "It is still an open subject," says Barton Ingraham, associate professor of

criminal justice at the University of Maryland. The skeptics claim 20 to 50 percent of the tests are in error; the proponent, such as Utah's Raskin, said polygraph tests are "90 percent accurate, and that is talking about optimum conditions. If you have examiners who are not competent or trained, if you have poor issues, your rate is going to drop."

There's another school of thought. "Some statistics say that the tests are accurate in excess of 85 percent, and that sounds good," says Starrs. "But then some will say that is laboratory testing, and what counts is reality testing. The question becomes, for a lawyer and forensic scientist, whether the present state of the art in polygraph testing is such that its results should be admissible in the court of law." Starrs says no.

Then there is the human element. Are the examiners competent? They should have, says Starrs, "a natural bent, savoir-faire, rapport. They have to be able to ask you questions. If you pace them with five-second intervals, the person doesn't have a chance to respond and throws the procedure off."

"Polygraph tests work every day all over the country," says Weir. "I don't know if there has ever been any evidence that they don't work. The commercial examiners are performing services for corporations,

and hard-headed businessmen wouldn't pay for them if they didn't work." In the mid-1970s, before the District law against their use by private employers, tests were used at Clyde's restaurant in Georgetown, and thefts there were considerably reduced.

Like everything else in Washington, polygraphs are the victims of political cycles.

Take the Baker and Casey controversy. Baker has claimed that Casey gave him the Carter debate briefing papers, while Casey has denied it.

John Shattuck of the American Civil Liberties Union, an opponent of polygraph tests, says, "we do not approve of the lie detector being used for Jim Baker, not even for William Casey, as we would disapprove its use on the lowest government employees. It violates all their rights."

Weir says testing Baker and Casey might work. "It is fairly reasonable to assume that one of their statements is not true, barring a lapse of memory," he says.

Ingraham of Maryland says he thinks the implications of the debate papers case are too important to rely on lie detectors. "The costs of being wrong in that situation are so great," he says. "The machine is just too unreliable."

Raskin of Utah, who is studying the polygraph accuracy for the Office of Technology Assessment, thinks the use is appropriate but doesn't know if the results will successfully answer the remaining questions. "It would depend on how clear those issues are in their minds. If Baker says he is very clear, then he is testable." If Casey doesn't remember, "that becomes problematic. I guess he could be tested in relation to the specific statements made by Baker."

WASHINGTON POST
7 September 1983

Bill Casey: Intelligence Is His Game

By James Conaway

THE SIGN says "Mayknoll"—a huge, somber Victorian house at the end of a shaded drive on Long Island's opulent north shore, in a town called Roslyn Harbor. It was built in 1855 and seems untouched by this century, except for two black Lincoln Town Cars, one parked under the porte-cochere, the other under a weeping willow and flanked by large watchful men in blazers. Somewhere behind them, toward the bottom of the estate, past the sculpture garden and the gazebo, lies Long Island Sound.

The CIA has come to West Egg, the fictional home of new money in F. Scott Fitzgerald's "The Great Gatsby." If anyone gets shot in this swimming pool, however, it's not likely to be the owner, William Joseph Casey.

He wears a faded golf shirt and plaid trousers, and wanders through a succession of rooms with 12-foot ceilings, intricate moldings, heavy furniture, sconces with real candles, and crystal chandeliers where he has lived for 35 years in all his incarnations, which include lawyer, author, businessman, politician and now director of central intelligence. He encounters another security agent, this one in slacks and blouse, in the library dedicated to his Revolutionary War research.

"Are they going to let me onto that golf course?" she asks.

Casey is golfing today at an exclusively male links, and last time there the fellows made the female agent feel unwelcome. He assures her they'll let her on, and continues on to the main library, an enclosed, paneled porch spanning the back of the house. Half glass, padded with

of fusty Rooseveltian charm—that's Teddy Roosevelt, not Franklin. But there are no horned heads on these walls, just photographs of Casey on the covers of Finance and Business Week, and in the company of American Republican presidents.

Someone has written dialogue into one photograph of Richard Nixon and Casey seated in the Oval Office. Nixon is telling Casey, "Bunny, tell me about Bernadette's library," and Casey is saying, "But Mr. President, I came here to talk about the stock market."

Bernadette is his daughter—his only child.

"You can tell a lot about a man from his books," says Casey, 70, who has collected them for years. "A hell of a lot more than you can tell from his bank account."

His books deal with World War II, biography, Christian missions to the undeveloped world, ancient history. The handbooks on law, finance and real estate that Casey produced as a young man, books that made him moderately wealthy, are stacked under the window.

A CIA officer in coat and tie sits nearby, a notebook on his lap. Being surrounded by guards of one sort or another goes with the job of director of central intelligence, all part of what Casey calls "the dues." Reporters are also part of the dues. They ask the questions that Casey finds annoying when he does not find them infuriating.

"The director will blow up," an aide has warned. "Something you ask will trigger it. He'll come up out of his chair. But it quickly passes."

"The way you guys work," Casey says, blinking rapidly behind his Yves St. Laurent spectacles, "the way the media works, they put a

U.S. SAYS SPY PLANE WAS IN THE AREA OF KOREA AIRLINER

But Aides Insist Soviet Had
Ample Time for Identifying
the Commercial Jet

By STEVEN R. WEISMAN

Special to The New York Times

WASHINGTON, Sept. 4 — Senior Reagan Administration officials said today that, two hours before shooting down a South Korean airliner off its coast, the Soviet Union spotted a United States reconnaissance plane in the general area and apparently thought that both aircraft were American reconnaissance planes.

But White House and State Department officials insisted that whatever initial confusion might have existed, the South Korean plane, a 747, and the reconnaissance plane, an RC-135, were 1,000 miles apart. They said the Soviet military had had ample time to discern that the plane they tracked into their airspace was a commercial jetliner. The Administration continued to maintain that there was no way the Russians could have mistaken the identity of the plane at the time they shot it down.

Congressional Leaders Briefed

The new information about the episode came to light today as President Reagan briefed Republican and Democratic Congressional leaders at the White House on the Administration's response to the downing of the Korean plane.

Mr. Reagan scheduled a national television address for Monday night at 8 P.M., at which he plans to disclose some of the actions he plans to take against the Russians and some of those he plans to seek in various international forums.

Larry Speakes, the White House spokesman, said that as the Russians followed the route of the South Korean plane, "particularly with the visual and the radar information available to them, when they shot it down, they should have known irrefutably that it was a civilian airliner."

Nevertheless, the disclosure of a second plane in the general area of the Korean jetliner, which the United States says the Russians shot down before dawn on Thursday, raised new questions about an already confusing episode.

At his meeting with the members of Congress, Mr. Reagan had an aide play tapes of the radio communication, in Russian, of two Soviet pilots who were said to have tracked the Korean jetliner on Thursday in the eight minutes before it was shot down. The translation from Russian to English was provided orally during pauses in the playing of the tapes. Initially the United States had to rely on translations made from Russian to Japanese and then from Japanese to English.

The disclosure of the presence of the American reconnaissance plane in the general area appeared to come almost by accident, as Administration officials sought later to clarify some confusion surrounding the description given by the House majority leader, Jim Wright of Texas, about the tape.

The Administration said that the tape contained irrefutable evidence that one Soviet pilot intentionally shot the plane down and that he was acting in response to guidance from a ground station. The Administration declined to make the tape public, however.

A senior Administration official, asking not to be identified, said after the disclosure that it was "conceivable" the Russians had been confused initially and had mistaken the South Korean airliner for the American reconnaissance plane. But he stressed that the Soviet pilots had both the means and the time — more than an hour and a half — to ascertain the truth.

The official also emphasized that the American reconnaissance plane had never ventured into Soviet territory, as the Korean plane did, and that it remained 1,000 miles away from the site where the Korean plane was shot down. In addition, he said that the Russians were aware that American reconnaissance planes operated routinely off the Soviet coast and that the plane's presence should not itself have represented anything unusual.

Paths of 2 Planes Crossed

Another official said that the paths of the Korean airliner and the American reconnaissance plane crossed in international waters off the Soviet coast, but that the planes were never closer than 100 miles to each other.

This official said that at some point after misidentifying the Korean plane as a reconnaissance plane, the Russians changed their identification to "unidentified."

He and others repeated the appeals of all Reagan Administration officials that the Soviet Union come forward with its own evidence, perhaps including radio communications, to shed light on whether they had made a mistake or had deliberately shot down a civilian airplane, as the United States charges.

Administration officials said that all the roughly 55 minutes of tape of Soviet radio communication with the pilots would be made public at "an appropriate forum," most likely a United Nations Security Council meeting scheduled for Tuesday.

Penalties Likely to Be Sought

An Administration official, asking not to be identified, said the most likely step would be an effort to condemn the Soviet Union and seek penalties through various international aviation organizations. Also being contemplated is a suspension of landing rights for Aeroflot, the Soviet airline, in foreign countries and of Aeroflot flights from those countries to the Soviet Union.

The President's unusual Sunday meeting with Congressional leaders lasted two hours and 40 minutes, instead of the 90 minutes that had been scheduled. Also discussed in the latter part of the meeting were developments in the Middle East.

In attendance were Vice President Bush, Secretary of State George P. Shultz, Defense Secretary Caspar W. Weinberger, William J. Casey, director of Central Intelligence, Attorney General William French Smith, Gen. John W. Vessey, chairman of the Joint Chiefs of Staff, David A. Stockman, director of the Office of Management and Budget, and Robert C. McFarlane, the special Middle East envoy.

Also there were Senators Howard H. Baker Jr., Strom Thurmond and Robert C. Byrd, the majority leader, president pro tempore and minority leader of the Senate, as well as Mr. Wright and Representatives Thomas P. O'Neill Jr. and Robert H. Michel, the Speaker and majority leader of the House.

Mr. Speakes said the meeting had produced a "genuine consensus on the President's approach" to the downing of the Korean airliner.

Moment of Silent Prayer

He said Mr. Reagan had called first for a moment of silent prayer for the 269 people lost in the downing of the South Korean plane, and also for the late Senator Henry M. Jackson, "whose wisdom and guidance we could use right now." Mr. Jackson, a Washington Democrat, died of a heart attack Thursday night.

After the White House session, the Congressional leaders told reporters in front of the White House that Mr. Reagan was following the proper course on the plane incident.

ARTICLE APPEARED
ON PAGE A-1

WASHINGTON POST
3 September 1983

'A Heinous Act'

By David Hoffman and John M. Goshko
Washington Post Staff Writers

President Reagan yesterday accused the Soviet Union of "flagrantly" lying about the downing of a South Korean airliner with 269 crew members and passengers, including at least 52 Americans, and questioned whether the United States can continue to talk "with a state whose values permit such atrocities."

In the strongest denunciation he has delivered of Soviet behavior as president, Reagan suggested that the Soviets had gone beyond "certain irreducible standards of civilized behavior" and had violated the "tradition in the civilized world" of helping pilots who are lost or in distress.

Standing with his wife, Nancy, on the field of the Point Mugu Naval Air Station on the California coast before returning to Washington to meet last night with the National Security Council, Reagan read solemnly from a prepared text:

"What can be said about Soviet credibility when they so flagrantly lie about such a heinous act? What can be

the scope of legitimate mutual discourse with a state whose values permit such atrocities, and what are we to make of a regime which establishes one set of standards for itself and another for the rest of humankind?"

After last night's NSC meeting, an administration official who asked not to be identified said Reagan would probably not retaliate by imposing economic sanctions, such as canceling the new agreement to sell American grain to the Soviets, or by withdrawing from arms control negotiations with the Soviets.

White House spokesman Larry Speakes told reporters last night that the president was given a set of options "that focus in a measured response to this incident." Speakes said the options "would include various steps the U.S. government could carry out in concert with members of the international community who share our outrage at this incident."

Reagan is studying a response "designed to assure there will be no recurrence of an incident of this type," said Speakes. He added that the president is considering

options that would take "more of a positive approach that will seek assurances" to guarantee the safety of international air travel because current international law is "obviously" insufficient "where the Soviets are concerned."

During the two-hour meeting at the White House last night, Reagan gave his advisers some direction, according to Speakes, and they will respond with recommendations by Sunday, when Reagan plans to consult with congressional leaders.

Speakes said Reagan also emphasized that the Soviets had provided "no satisfactory response... for their outrageous conduct" and that the families of those killed "deserve a just restitution for the loss of life."

A number of U.S. officials said yesterday that they believe that Reagan will find it difficult to go much beyond rhetorical retaliation and such relatively limited sanctions as seeking international restrictions on Soviet air traffic, placing new restrictions on Soviet diplomatic personnel and putting off tentative plans for talks on a new scientific and cultural exchange agreement and the opening of consulates in New York and Kiev.

A senior administration official traveling with Reagan said, for example, "I would not look for us to discontinue our discussions [with the Soviets on nuclear arms control] because the stakes are too high. We would not be serving our own country or the world at large should we stop our efforts to achieve true arms reduction."

Speakes said, "Arms control is a very important issue, probably one of the major foreign policy emphasis of our administration."

State Department spokesman John Hughes added that he was unaware of any plans to call off or postpone next week's scheduled resumption of the U.S.-Soviet negotiations on reducing medium-range nuclear missiles in Europe.

Speakes said last night that the president has directed Secretary of State George P. Shultz to follow through with plans to meet next week with Soviet Foreign Minister Andrei A. Gromyko in Madrid. But, Speakes said, Reagan ordered Shultz to change the agenda of the meeting to "center first" on the airline attack incident "and then on other topics, specifically other violations of the international norms that the Soviet Union has undertaken...."

Canceling the new, five-year agreement to sell American grain to the Soviets was ruled out in part, officials suggested, because it would risk an outcry from American farmers and their political representatives. It also would contradict Reagan's past opposition to the grain embargo imposed by President Carter against the Soviets after their invasion of Afghanistan. And it would violate guarantees in the new agreement that make it legally difficult to impose a new embargo.

In addition to Shultz and Reagan, last night's meeting was attended by Vice President Bush, Secretary of Defense Caspar W. Weinberger, CIA Director William Casey, Attorney General William French Smith, Treasury Secretary Donald T. Regan, Office of Management and Budget Director David A. Stockman and other top administration and White House officials.

In his statement earlier yesterday, Reagan portrayed the Soviet regime as having gone beyond the standards of civilized behavior accepted by the rest of the world. His remarks appeared to go further than expressing outrage about the incident, to suggesting that the United States might take some unspecified actions against Moscow.

In rhetoric and practice, Reagan has been both harsh and conciliatory toward the Soviets during his first 2½ years in office. He decried Soviet-backed repression of human rights in Poland and the invasion of Afghanistan. But he also cleared the way eventually for expanded grain

sales to the Soviets, and recently approved the sale of pipe-laying equipment built by Caterpillar Tractor Co. for use in building the Soviet natural gas pipeline in Europe.

[CONTINUED]

2 September 1983

WASHINGTON
PLANE ATTACK
BY LEE BYRD

President Reagan discussed with his advisers Friday night how to retaliate with a "measured response" against the Soviet Union for the "heinous act" of shooting down a South Korean jetliner and killing 269 people, including 51 Americans.

The administration virtually ruled out a grain cutoff or other economic sanctions, officials said, but the president questioned the value of negotiating "with a state whose values permit such atrocities."

At the United Nations, the United States accused the Soviet Union of "calculated, deliberate murder."

Reagan, after cutting short a California vacation, closeted himself with national security advisers immediately upon his arrival for nearly two hours.

White House spokesman Larry Speakes, briefing reporters later, said the officials reviewed "a range of options that focus on a measured response to this incident."

While declining to identify the measures under consideration, Speakes said they included steps that could be taken in concert with allies, as well as actions by the United States alone, aimed at assuring that "there will be no recurrence of the incredible incident of this type" and "to allow the international outrage to focus on the misconduct of the Soviet Union in this matter."

A senior administration official indicated that economic sanctions were not being considered by the United States. Likewise, an official indicated there was little likelihood the United States would delay or pull out of arms control talks with the Soviets. These officials refused to permit use of their names.

The only decision reached during Friday night's meeting, announced by Speakes, was for Shultz to proceed with plans to meet in Madrid next week with Soviet Foreign Minister Andrei Gromyko. However, Speakes said Shultz's mission now was to focus on the downed aircraft and "other violations of the international norms" by the Soviet Union.

The Madrid meeting, of participants in the Helsinki agreements on human rights in Europe, had been scheduled to sign updating accords. Speakes did not address the point of whether Shultz might refuse his signature and denounce the agreements, but did say the secretary would have a "reduced agenda."

Speakes said the options being considered by Reagan focused on "administrative and international" steps. He did not elaborate, but said he did not expect any decisions before the president consults with congressional leaders Sunday. He said the administration also was consulting with allies.

Asked if Reagan felt present international rules on international air travel are insufficient, Speakes said, "Obviously they are where the Soviets are concerned."

CONTINUED

Synfuels, NoWinFuels

By Doug Bandow

WASHINGTON — The Synthetic Fuels Corporation is fast becoming one of the greatest pork barrels in the history of American politics. Although none of its economically senseless projects would survive in the marketplace without subsidization, it cruises serenely ahead almost without opposition, leaving mismanagement and misconduct in its wake.

The Corporation's president, Victor Schroeder, has resigned, and the remaining officers are struggling to explain why they built a sauna in the executive suite, granted 51 consulting contracts without competitive bidding (including one for \$21,000 for a six-page memo on communications) and have made only two project awards in three years, despite spending \$34.5 million for administration and hiring some 200 employees.

When it was created in 1980 — with \$20 billion and the promise of \$68 billion more — the Corporation was envisioned as the progenitor of a vital industry, and an agency that would work its magic through loan guarantees that would "cost the taxpayer little or nothing," in the words of Edward Noble, the chairman.

Neither the will of Congress nor the pronouncements of President Jimmy Carter, who was waging the "moral equivalent of war," however, could make synthetic fuels cost-effective. Recognizing the poor economics, Exxon dropped out of what was once the nation's most ambitious project, the \$5 billion Colony Shale Oil plant in Colorado, and Ashland Oil shelved plans for a multibillion dollar coal-liquefaction plant in Kentucky.

The Corporation has been forced by this bad economic news to alter its funding strategies, which is bad news for taxpayers. Now, Mr. Noble says, the Corporation will work not so much with loan guarantees as with price guarantees, which, like agricultural price supports, will guarantee sales at a profit, no matter what the market price. According to the Corporation, these guarantees will account for \$7 billion to \$10 billion of the total of \$15 billion it will spend on synfuels. It plans — for now, at least — to spend the rest in loan guarantees.

What's a barrel of synthetic fuel going for these days? The Corporation is guaranteeing \$67, when a barrel of crude oil can be bought on the spot market for about \$30. And even in the unlikely event that the price of crude rises dramatically, the price of synfuels will rise ever higher. When oil cost \$3.50 a barrel in 1973, synfuels were projected to cost \$4.50 a barrel. When oil hit \$17 a barrel, estimates for synfuels went to \$25. The fluidity of these estimates is due partly to the optimism of the synfuel industry and partly to the fact that synfuels plants are themselves heavy consumers of fossil fuels.

Moreover, the eventual output of plants established by the Corporation will be minimal. At the time it was chartered, the Corporation was expected to cultivate an industry that would produce the equivalent of 500,000 barrels of oil a day by 1987, and two million a day by 1992. Today, Corporation officials admit that even in the unlikely event that they succeed in building every plant they hope to open by 1991, production will reach barely a third of the 1987 goal.

Does it make sense, as synfuels advocates claim, to spend more for the alternative fuel than for the fuel from which we want to be independent? Would we be "mortgaging our energy future" by abandoning a technology that private firms refuse to develop? Absolutely not. In fact, if we are mortgaging our energy future, it is by underwriting expensive synfuels projects rather than allowing the market to dictate investments in the alternative fuels that make the most sense. Subsidized synthetic fuels undermine the competitiveness of alternate energies such as co-generation, wind, solar power and hydropower, while discouraging conservation efforts. Private firms are loath to underwrite alternative energy projects while the Corporation is subsidizing synfuels at the rate of \$37 a barrel.

There are reasons other than cost to keep the Government out of the synfuels business. Government-subsidized projects are inevitably politicized and often come to fruition for all the wrong reasons. The Peat Methanol Associated project, in North Carolina, which has \$465 million in loan and price guarantees, and which even the Corporation's staff says is economically "unpromising," seems to survive only because it has had as investors a number of influential Republicans, including William Casey, the Director of Central Intelligence.

When asked last year what the American people had gotten for their money, Mr. Schroeder, the Corporation's former president, replied "one heck of a lot of information and education and understanding." If we've learned anything, it's that the Corporation benefits politicians, entrenched bureaucrats and well-connected consultants and businessmen, not the public. It's time to shut it down.

Doug Bandow is editor of Inquiry magazine.

ARTICLE APPEARED
ON PAGE B-7

WASHINGTON POST
1 September 1983

File

Capitol Punishment

The Powers That Be

By Art Buchwald

A group of elite Eastern establishment government watchers was having lunch the other day, discussing one of our favorite subjects: "Who is really in charge of U.S. foreign policy?"

It was of particular concern to all of us, because the odds of President Reagan's running again look better all the time.

We decided to do it by process of elimination.

"We know it isn't anyone in the State Department," Bramhall said. "State's been out of it since Reagan moved into the White House."

"Haig was fired because he tried to interfere in foreign affairs, and George Shultz usually gets his information on what the United States

has done from The Washington Post."

"What about Secretary of Defense Caspar Weinberger? He's an old pal of the president and has tremendous input in foreign policy."

"We can't discount him," Healy said. "But I don't think he's Mr. Big. I believe he is more concerned with getting as much military equipment as possible for the Defense Department. But he doesn't really care where we use it."

"It doesn't have to be a man," Zeigfried said. "It could be a woman."

"You mean Nancy Reagan?"

"Not necessarily, though she certainly has the ear of the president. I was thinking of U.N. Ambassador Jeane Kirkpatrick. The president is

very taken with all her ideas. Wouldn't it be wild if a woman were in charge of foreign policy?"

"Kirkpatrick could be the power behind the throne," Christmas said. "Yet I believe it's someone right in the White House."

"What about George Bush?"

"Let's be serious, guys. When has a vice president ever had anything to say about foreign policy," Cannon said.

"There's Jim Baker, Mike Deaver and Ed Meese."

"They're too busy worrying about the president getting reelected to get involved in foreign affairs. The only time they mix in is if they think a policy is going to affect votes in the United States."

"Well, that leaves the president's national security adviser William Clark. He's a hard-liner on the Soviet Union."

"He's too obvious," Trenchant said. "Besides, I just have a gut feeling he doesn't have the smarts to conceptualize foreign policy. His

strength is carrying out orders."

"But whose orders?" I asked.

Everyone tried to think hard.

"Bill Casey of the CIA?" Vagrant suggested.

We ignored him.

"Is there someone in the kitchen cabinet who could be running things?"

"The kitchen cabinet doesn't exist anymore. They all went back to California after the election. Look, the foreign policy of the United States, as it stands now, is to blame the Soviets for everything, but still sell them wheat. Show American power around the world, but don't get American soldiers involved. Give a bloody nose to Qaddafi, reward all our friends with military equipment by claiming they are not violating

human rights, stall the arms talks until we get the Pershing missiles placed in Europe, make Castro the biggest threat to worldwide peace and consult with our allies only *after* we've decided to do something that they might object to. Now who is behind all that?"

"This is just a crazy idea," Trenchant said. "But could Reagan himself be Mr. Big?"

"You mean the president of the United States?" I asked, flabbergasted.

"Why not? He's got the authority."

Bramhall said, "Reagan doesn't know anything about foreign affairs."

"So?"

The thought was so mind-boggling, none of us could finish our salads.

1983, Los Angeles Times

CAPITAL COMMENT

■ John Sears, Reagan's campaign manager until he was purged by rival forces headed by Ed Meese, William Casey, and Nancy Reagan, says the President will decide not so much whether to seek a second term as whether to be "cast" in the part. With an actor's logic, Sears says, Reagan will take a look at the script handed him—in this case, by his close associates—and if it reads well and has a happy ending, he'll take the role. The White House is writing just such a script.

EXCERPTED